

Versus Arthritis Trading Limited

Annual Report and Financial Statements

Year ended 31 March 2021



Contents

Directors’ Report..... 3

Independent Auditor’s Report..... 5

Profit & Loss Account 9

Balance Sheet..... 10

Notes to the Financial Statements..... 11

Directors

Andrew Holford (Appointed 1st April 2020)

Secretary and registered office

Olivia Belle (resigned 22nd October 2021)

Ellen Miller (appointed 22nd October 2021)

Registered Address

Copeman House
St Mary’s Court
St Mary’s Gate
Chesterfield S41 7TD

Company number

00891517

Auditors

BDO LLP
55 Baker Street
London W1U 7EU

**Directors' Report
For the year ended 31 March 2021****Page 3****Directors' Report**

The Directors present their annual report and the audited financial statements of Versus Arthritis Trading Limited ("the Company") for the year ended 31 March 2021.

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.

Directors

The Directors in office at the year-end and who served throughout the year are listed below:

Andrew Holford (appointed 1 April 2020)

The Directors did not receive any emoluments in respect of their services to the Company for the year ended 31 March 2021 (2020: £Nil).

Going Concern

The Directors have reviewed the organisation considering its current performance, future funding requirements. The operations of the company have reduced significantly in the last 2 years and are limited and closely controlled by the parent company. The company has net current assets of £257,096 and cash balances of £268,578.

The Directors have a reasonable expectation that the company has sufficient resources to continue to meet its liabilities as they fall due for a period of at least 12 months from the date of approval of these financial statements and therefore have prepared the financial statements on a going concern basis.

Directors' Report
For the year ended 31 March 2020..... cont'd**Page 4**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.

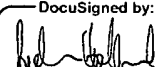
The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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

DocuSigned by:

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A Holford
Director

Date 10 March 2022 | 11:21:58 GMT

**Independent auditor's report to members of Versus Arthritis Trading Limited
For the year ended 31 March 2021****Page 5****INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VERSUS ARTHRITIS TRADING LIMITED****Opinion on the 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 2021 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.

We have audited the financial statements of Versus Arthritis Trading Limited ("the Company") for the year ended 31 March 2021 which comprise the Profit and Loss Account (Including Statement of Income and retained Earnings), balance sheet and 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).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report and Financial Statements 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. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine

Versus Arthritis Trading Limited

Independent auditor's report to members of Versus Arthritis Trading Limited**For the year ended 31 March 2021.....cont'd****Page 6**

whether this gives rise to a material misstatement in the financial statements themselves. 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.

Other Companies Act 2006 reporting

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.

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 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 Statement of Directors' Responsibilities, 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.

Independent auditor's report to members of Versus Arthritis Trading Limited
For the year ended 31 March 2021.....cont'd

Page 7

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We made enquiries of management, and the Board, including:
 - how they have identified, evaluated and complied with laws and regulations and whether they were aware of any instances of non-compliance;
 - their process for detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - which internal controls have been established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company. These include, but are not limited to, compliance with the Companies Act 2006 and tax legislation.
- In addition, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: employment law, health and safety laws and data protection. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of Those Charged with Governance and other management and inspection of regulatory and legal correspondence if any.
- We also communicated relevant identified laws and regulations, potential fraud risks and that fact that there were no known matters of significant non-compliance with laws and regulations, to all engagement team members including internal specialists audit teams, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.
- We considered management's incentives and opportunities for fraudulent manipulation of the financial statements (including revenue recognition and the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial results and management bias in accounting estimates.

Audit response to risks identified

- The Senior Statutory Auditor has assessed and concluded that the engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulation
- We reviewed the financial statement disclosures and tested to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- We made enquiries of the Board, management and internal audit;
- We read minutes of meetings of those charged with governance, and reviewed correspondence with HMRC; and
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; considered completeness of related party transactions; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

Independent auditor's report to members of Versus Arthritis Trading Limited
For the year ended 31 March 2021.....cont'd

Page 8

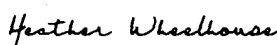
Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available 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.

DocuSigned by:

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Heather Wheelhouse (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
London, UK

10 March 2022

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 2021

Page 9

	Notes	2021 £	2020 £
Turnover	1	40,416	84,862
Cost of Sales		(37,719)	(75,243)
Gross Profit		2,697	9,619
Administrative expenses	2	(9,432)	(9,428)
(Loss)/Profit before and after tax and total comprehensive (deficit) / income for the year	3	(6,735)	191
Retained Earnings			
Bought forward		13,831	13,831
Result for the year		(6,735)	191
Qualifying Charitable Donation		-	(191)
Balance at 31 March	3	7,096	13,831

The notes on pages 11 to 14 form part of these financial statements.

Balance Sheet
As at 31 March 2021

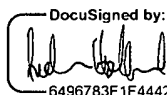
Page 10

	Notes	2021 £	2020 £
Current Assets			
Stock		27,244	-
Debtors	4	10,164	12,650
Cash at bank and in hand		268,578	286,654
Assets		305,986	299,304
Creditors – amounts falling due within one year	5	(48,890)	(35,473)
Net current assets and net assets		257,096	263,831
Capital and Reserves			
Called up share capital	6	250,000	250,000
Profit and loss account		7,096	13,831
Total shareholders' funds	8	257,096	263,831

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

The notes on pages 11 to 14 form part of these financial statements.

Approved by the Board on _____ and signed on their behalf by:

DocuSigned by:

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10 March 2022 | 11:21:58 GMT

A Holford
Director

(Company Number: 00891517)

**Notes to the Financial Statements
For the year ended 31 March 2020****Page 11**

Notes to the Financial Statements**1. Accounting Policies**

Versus Arthritis Trading Limited 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.

Cash flow statement

The directors elected to take advantage of FRS102 Reduced Disclosure Framework, thereby not preparing a cash flow statement in the financial statements. Versus Arthritis is the parent charity into which Versus Arthritis Trading Limited's financial statements are consolidated. These financial statements can be obtained from the address stated in note 7.

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.

Stock

Stocks consist of goods for resale and are stated at the lower of cost and net realisable value.

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.

Going Concern

The Directors have a reasonable expectation that the company has sufficient resources to continue to meet its liabilities as they fall due for a period of at least 12 months from the date of approval of these financial statements and therefore have prepared the financial statements on a going concern basis.

Notes to the Financial Statements
For the year ended 31 March 2021

Page 12

2. Employees and Auditors Remuneration

The company had no employees in either year. The average number of Directors during the period was 2 (2020: 2). The Directors received no emoluments in respect of their services to the Company during the period (2020: £nil).

Auditors' remuneration for audit of £2,500 (2021: £2,550) 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

	2021	2020
	£	£
Total current tax charge / (credit)	-	-
Deferred tax asset not recognised	-	-
	2021	2020
	£	£
<i>Reconciliation of current tax charge</i>		
(Loss)/ Profit on ordinary activities before tax	(6,735)	191
Tax on profit on ordinary activities at standard corporation tax rate of 19% (2021: 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	-	-

Notes to the Financial Statements
For the year ended 31 March 2021

Page 13

4. Debtors – Amounts receivable within one year

	2021	2020
	£	£
Prepayments and Accrued income	-	12,650
VAT	9,208	-
Other Debtors	956	
	<u>10,164</u>	<u>12,650</u>

5. Creditors – Amounts falling due within one year

	2021	2020
	£	£
Trade Creditors	1,225	1,159
Other Creditors	5,428	17,694
Amounts owed to Parent Company	42,237	1,531
VAT	-	9,101
Accruals and Deferred Income	-	5,988
	<u>48,890</u>	<u>35,473</u>

Notes to the Financial Statements
For the year ended 31 March 2021

Page 14

6. Called up Share Capital

	2021 £	2020 £
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

	2021 £	2020 £
Opening shareholders' funds	263,831	263,831
Total comprehensive (loss)/profit for the year	(6,735)	191
Charitable donation to Versus Arthritis	-	(191)
Closing shareholders' funds	257,096	263,831

9. Related Party Transactions

For the year ending 31 March 2021 the trading company will make a charitable donation of £nil (2020: £191) to the charity within 9 months. There was a management fee from the parent charity to the trading company of £nil (2020: £nil) along with a staff costs recharge of £nil (2020: £nil) and recharge of audit fees of £2,500 (2020: £2,550).