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COMPTON CARE TRADING LIMITED

Annual Report and Financial Statements

Year ended 31 March 2021



Company Registered Number: 2328703
Registered Office - 4 Compton Road West, Compton, Wolverhampton WV3 9DH

COMPTON CARE TRADING LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

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COMPTON CARE TRADING LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 March 2021.

ACTIVITIES

The principal activity of the company is that of operating retail charity shops selling clothes, furniture, bric-a-brac and giftware on behalf of the parent company, Compton Care Group Limited. It also operates a coffee shop and provides catering services to the parent company.

Compton Care Trading Limited was appointed on 1 April 2012 as the agent in respect of the marketing, distribution and the sale to customers of goods supplied to Compton Care Group Limited by way of charitable donations and also in respect of the management of the retail premises from which such goods are sold.

The company is registered in England and Wales.

REVIEW OF THE BUSINESS

Details of the trading in the year are summarised in the profit and loss account on page 5 and the financial position of the company is set out in the balance sheet on page 6 and the notes on pages 7 to 10.

The directors consider the company's situation to be satisfactory given the impact of Covid-19 noted below. The directors expect the level of activity to increase during the upcoming financial year as the shops re-open permanently post-Covid.

RESULTS

The profit on ordinary activities for the year was £47,957 (2020: £180,077), which is payable to the parent company Compton Care Group Limited by way of Gift Aid. After dealing with the above, there was a transfer to reserves of £47,957 (2020 – £180,077).

On 30 July 2021, the Board passed a resolution to pay Compton Care Group Limited £47,957 by way of Gift Aid representing the profits for the year ended 31 March 2021.

COVID-19 IMPACT

The outbreak of Covid-19 meant that the shops had to close during March 2020 with a phased re-opening during the summer and early autumn. The shops, as part of the non-essential retail categorisation, closed again during the second and third national lockdowns in the autumn and winter periods, re-opening again in April 2021. Such closures resulted in a negative impact on operating results, but activities are anticipated to return close to normal by the summer of 2021.

DIRECTORS

The directors of the company, who held office during the year, are shown below:

Mr J F McKinnon - (Chairman)
Mr G Burke
Mr C R Peddie

COMPTON CARE TRADING LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

DIRECTORS' REPORT

The directors had no beneficial interests in the company's shares or received any remuneration save as described under note 3 on page 8.

DIRECTORS' INDEMNITY

The directors of the company had indemnity insurance during the period in respect of liabilities they may incur in the discharge of their duties or in the exercise of their powers, including any liabilities relating to the defence of any proceedings brought against them which relate to anything done or omitted, or alleged to have been done or omitted, by them as directors and officers of the company.

DIRECTORS' RESPONSIBILITIES

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 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 judgements 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 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.

So far as each of the directors is aware at the time the report is approved.

- there is no relevant audit information of which the company's auditors are 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 auditors are aware of that information.

SMALL COMPANY PROVISIONS

The Directors' Report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption provided by Part 15 and Section 414B(b) of the Companies Act 2006.

Approved by the Board of Directors and signed on behalf of the Board.



J F McKinnon
Chairman

30 July 2021

COMPTON CARE TRADING LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COMPTON CARE TRADING LIMITED

Opinion

We have audited the financial statements of Compton Care Trading Limited for the year ended 31 March 2021 which comprise the Profit and Loss Account, Statement of Changes in Equity, Balance Sheet and notes to the financial statements, including 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 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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

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 contained within the annual report. 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.

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 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of our 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 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 by the company; 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 exemption in preparing the directors report and from the requirement to prepare a strategic report.

COMPTON CARE TRADING LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COMPTON CARE TRADING LIMITED (continued)

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 3, 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.

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 obtained an understanding of the legal and regulatory frameworks within which the company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 and Taxation legislation.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be income recognition and override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, designing audit procedures over income, sample testing on the posting of journals and reviewing accounting estimates for biases.

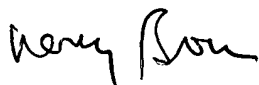
Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

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



Kerry Brown
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Black Country House
Rounds Green Road
Oldbury
B69 2DG

Date: 21 August 2021

COMPTON CARE TRADING LIMITED

PROFIT AND LOSS ACCOUNT

Year ended 31 March 2021

	Note	2021 £	2020 £
TURNOVER		127,371	330,573
Cost of sales		(36,817)	(86,123)
GROSS PROFIT		90,554	244,450
Administrative expenses		(50,593)	(67,944)
Other operating income		7,557	-
OPERATING PROFIT	2	47,518	176,506
Bank interest receivable		466	3,571
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		47,984	180,077
Tax on ordinary activities	5	(27)	-
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		47,957	180,077

STATEMENT OF CHANGES IN EQUITY

Year ended 31 March 2021	Called up Share Capital £	Profit & Loss Account £	Total £
At 1 April 2019	2	216,692	216,694
Profit for the year	-	180,077	180,077
Other comprehensive income for the year			
- Gift aid donation to parent company (Compton Care Group Limited)	-	(216,426)	(216,426)
At 31 March 2020	2	180,343	180,345
Profit for the year	-	47,957	47,957
Other comprehensive income for the year			
- Gift aid donation to parent company (Compton Care Group Limited)	-	(180,077)	(180,077)
At 31 March 2021	2	48,223	48,225

COMPTON CARE TRADING LIMITED (Company Number 02328703)

BALANCE SHEET As at 31 March 2021

	Note	2021		2020	
		£	£	£	£
CURRENT ASSETS					
Stocks		37,940		31,520	
Trade debtors		7,052		190,690	
Prepayments		91,894		130,396	
Other debtors		80,398		22,411	
Amounts due from a fellow subsidiary		-		85	
Cash at bank and in hand		73,650		369,765	
		<u>290,934</u>		<u>744,867</u>	
CREDITORS: amounts falling due within one year					
Trade creditors		9,656		142,544	
Amount due to group companies		26,212		319,314	
Taxation and social security		14,783		17,082	
Accruals		192,058		79,343	
Other Creditors		-		6,239	
		<u>242,709</u>		<u>564,522</u>	
NET CURRENT ASSETS			<u>48,225</u>		<u>180,345</u>
NET ASSETS			<u><u>48,225</u></u>		<u><u>180,345</u></u>
CAPITAL AND RESERVES					
Called up share capital	6		2		2
Profit and loss account			48,223		180,343
SHAREHOLDER'S FUNDS			<u><u>48,225</u></u>		<u><u>180,345</u></u>

The financial statements have been prepared in accordance with the special provisions subject to small companies' regime within Part 15 of the Companies Act 2006 and in accordance with the provisions of FRS 102 Section 1A - Small Entities.

The financial statements were approved and authorised for issue by the Board of Directors on 30 July 2021 and signed on its behalf by:



JF McKinnon
Director

30/7/21

COMPTON CARE TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 March 2021

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland, and the Companies Act 2006.

Turnover

Turnover represents goods sold in the normal course of the company's business, excluding VAT. The entire turnover is derived from activities within the United Kingdom.

Government grants

Government grants are recognised at fair value when there is reasonable assurance that the Company will comply with the conditions attaching to them and the grants will be received and included within Other Operating Income.

Stocks

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

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are recognised at their settlement amount after allowing for any trade discounts due.

Taxation

When all trading profits are paid across to the parent charity under Gift Aid no corporation tax liability arises. If trading profits are not gift aided to the parent charity, tax is recognised in profit and loss, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively. The current tax charge is calculated based on tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Financial instruments

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors. A specific provision is made for debts for which recoverability is in doubt. Cash at bank and in hand is defined as all cash held in instant access bank accounts and used as working capital. Financial liabilities held at amortised cost comprise all creditors except social security and other taxes and provisions.

Allocation of costs

Costs of running the shops are apportioned to donated goods or bought-in-goods on the basis of the sales value, with the exception of costs that are directly attributable to one or other of the activities. The costs apportioned to the donated goods are charged to the charity.

COMPTON CARE TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 March 2021

1. ACCOUNTING POLICIES

Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make significant judgements and estimates. The areas where these judgements and estimates have been made include:

Trade debtors - trade debtors consist of amounts due from external organisations and individuals including customers. An allowance for doubtful debt will be maintained for any estimated losses resulting from the viability of these external organisations and individuals to make the required payments. Any allowance is based on the Company's regular assessment of the credit worthiness and financial conditions for those external parties included within trade debtor balances.

Preparation of accounts on a going concern basis

The Directors consider there are no material uncertainties about the Company's ability to continue as a going concern. The review of our financial position, reserves levels and future plans gives Directors confidence the Company remains a going concern for the foreseeable future.

2. OPERATING PROFIT

	2021 £	2020 £
The operating profit is stated after (crediting) / charging		
Government grants - Job Retention Scheme	(7,557)	-
Auditor's remuneration		
- For statutory audit services	2,500	3,800
- For taxation services	925	1,175
	<u>2,500</u>	<u>3,800</u>

3. STAFF COSTS INCLUDING DIRECTORS

Directors' remuneration

No directors received any emoluments in the year (2020: £Nil).

	2021 £	2020 £
Staff costs		
Wages and salaries	19,112	28,691
Social security costs	1,113	1,612
Other pension costs	765	946
	<u>20,990</u>	<u>31,249</u>

The company has no direct employees, with all costs charged from Compton Care Group Limited.

COMPTON CARE TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) Year ended 31 March 2021

4. DONATION TO PARENT COMPANY

An amount of £180,077 was paid to Compton Care Group Limited under the Gift Aid Scheme (2020: £216,426).

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

The tax charge is based on the profit for the year and represents:

	2021 £	2020 £
Corporation Tax		
UK Corporation Tax	-	-
Adjustments in respect of previous periods	27	-
	<u>27</u>	<u>-</u>
Tax on profit on ordinary activities	<u>27</u>	<u>-</u>

The tax assessed for the year is lower than the standard rate of corporation tax in the United Kingdom at 19% (2020 - 19%). The differences are explained as follows:

Profit on ordinary activities before tax	47,984	180,077
	<u>47,984</u>	<u>180,077</u>
Effects of:		
Profit on ordinary activities multiplied by standard rate of corporation tax in the United Kingdom of 19% (2020 - 19%)	9,117	34,215
Relief by way of Gift Aid	(9,117)	(34,215)
Prior year adjustments	27	-
	<u>27</u>	<u>-</u>
Total tax charge for the year	<u>27</u>	<u>-</u>

The company's profits are subject to corporation tax, but as all profits earned have agreed to be gifted to the parent company, a registered charity, by way of Gift Aid, no taxation charge will arise. A small charge has been occurred for a prior period due to timing differences. A resolution to approve the gift was approved by the Board on 30 July 2021.

6. CALLED UP SHARE CAPITAL

Authorised:

200,000 ordinary shares of £1 each

Allotted, called up and fully paid:

2 ordinary shares of £1 each (2020: 200,000)

	2021 £	2020 £
200,000 ordinary shares of £1 each	200,000	200,000
	<u>200,000</u>	<u>200,000</u>
2 ordinary shares of £1 each (2020: 200,000)	2	2
	<u>2</u>	<u>2</u>

7. PARENT COMPANY

The company's ultimate parent company and controlling party is Compton Care Group Limited, the only parent undertaking to consolidate the Financial Statements of the company, a company registered in England (charity registration number 512387).

Copies of the group financial statements are available from 4 Compton Road West, Compton, Wolverhampton WV3 9DH.

COMPTON CARE TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) Year ended 31 March 2021

8. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption contained in Financial Reporting Standard 102 and does not disclose transactions between itself and its parent and fellow subsidiary companies given this Company is a wholly owned subsidiary of Compton Care Group Limited.