

Directors' Report and Financial Statements

For the year ended 31 March 2021

**St Christopher's
(Trading) Limited**

Registered Number: 2604519



St Christopher's (Trading) Limited

Contents

	Page
Company information	1
Directors' report	2 - 3
Independent auditor's report	4 - 7
Statement of income and retained earnings	8
Balance sheet	9
Notes to the financial statements	10 - 14

St Christopher's (Trading) Limited

Company information

Directors	M S O'Leary E M Brown H E Beebe (resigned 31 st August 2021) C J Smith
Secretary	M S O'Leary
Company Number	2604519
Registered Office	51 - 59 Lawrie Park Road Sydenham London SE26 6DZ
Auditors	Mazars LLP 2 nd Floor 6 Sutton Plaza Sutton Court Road Sutton Surrey SM1 4FS
Bankers	NatWest Bank plc Farnborough Branch 354 Crofton Road Orpington Kent BR6 8QZ

St Christopher's (Trading) Limited

Directors' report For the year ended 31 March 2021

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

Principal activities

The principal activity of the company during the year was the operation of charity shops selling mainly donated goods.

At March 2021 there were 24 shops in operation (March 2020: 26 shops). Shops in Biggin Hill and Catford were closed during the year.

Turnover for the year amounted to £1,691,376 (2020: £3,574,174). The loss before tax was £84,470 (2020: profit before tax of £1,376,077). The reduction in turnover from the prior year was a result of the shops having to close for approximately 7 months of the financial year to comply with public health guidelines in relation to COVID 19.

Other operating income of £1,024,293 (2020: £619,600) included £438,688 (2020: £550,000) of grants received as part of COVID 19 funding via local London Councils, and £506,921 (2020: £19,500) from the Corona Virus Job Retention Scheme (furlough).

The company distributes its profits to the parent charity, St Christopher's Hospice. The distribution this year was Nil (2020: £1,290,000).

Directors

The following directors have held office during the year:

M S O'Leary
E M Brown
H E Beebe
C J Smith

Statement as to disclosure of information to auditors

The directors have taken all necessary steps to make themselves aware, as directors, of any relevant audit information and to establish that the auditors are aware of that information. As far as the directors are aware, there is no relevant information of which the company's auditors are unaware.

COVID-19

The directors are continuing to assess the impact on the company of the COVID-19 pandemic. They believe that the key risks to the organisation are that the shops may have to close temporarily following any further lockdowns, and uncertain levels of income when shops can open.

Brexit

The directors are continuing to assess the impact on company of the United Kingdom's decision to leave the EU. They believe that the key risk to the organisation is the potential impact of the ongoing economic and political uncertainty on trading.

Auditors

Mazars LLP have expressed their willingness to continue in office.

St Christopher's (Trading) Limited

Directors' report For the year ended 31 March 2021 (continued)

Directors' responsibilities

The directors who served during the year, and the period for which they were in office, are detailed on page 2.

The directors are responsible for preparing the Director's 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 judgments 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.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

On behalf of the Board


.....
M S O'Leary, Director

Date 1/12/2021

St Christopher's (Trading) Limited

Independent auditor's report to the members of St Christopher's (Trading) Limited

Opinion

We have audited the financial statements of St Christopher's (Trading) Limited (the 'company') for the year ended 31 March 2021 which comprise the Statement of Income and Retained Earnings, the 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 FRS 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 loss 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

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.

St Christopher's (Trading) Limited

Independent auditor's report to the members of St Christopher's (Trading) Limited (continued)

Other information

The other information comprises the information included in the Directors' Report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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 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 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 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' exemption in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

St Christopher's (Trading) Limited

Independent auditor's report to the members of St Christopher's (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 the 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. Based on our understanding of the company and its industry, we identified that the principal risks of non-compliance with laws and regulations related to the UK tax legislation, pensions legislation, employment regulation and health and safety regulation, anti-bribery, corruption and fraud, money laundering, non-compliance with implementation of government support schemes relating to COVID-19, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Companies Act 2006.

We evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, and significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- Discussing with the directors and management their policies and procedures regarding compliance with laws and regulations;

St Christopher's (Trading) Limited

Independent auditor's report to the members of St Christopher's (Trading) Limited (continued)

- Communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the company which were contrary to applicable laws and regulations, including fraud.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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 the audit 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.

Stephen Mills
Stephen Mills (Dec 16, 2021 00:54 GMT)

Stephen Mills (Senior Statutory Auditor) for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
6 Sutton Plaza, Sutton Court Road, Sutton, Surrey, SM1 4FS

16 December 2021

St Christopher's (Trading) Limited

Statement of Income and Retained Earnings For the year ended 31 March 2021

	Notes	2021 £	2020 £
Turnover		1,691,376	3,574,174
Cost of sales		(32,707)	(35,257)
Gross profit		<u>1,658,669</u>	<u>3,538,917</u>
Administrative expenses		(2,767,495)	(2,783,367)
Other operating income	2	1,024,293	619,600
Operating (Loss)/Profit	3	<u>(84,533)</u>	<u>1,375,150</u>
Other interest receivable and similar income	4	63	927
(Loss)/Profit on ordinary activities before taxation		<u>(84,470)</u>	<u>1,376,077</u>
Tax on (loss)/profit on ordinary activities	5	-	-
(Loss)/Profit on ordinary activities after taxation		<u><u>(84,470)</u></u>	<u><u>1,376,077</u></u>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains or losses other than those passing through the profit and loss account.

Statement of retained earnings	2021 £'000	2020 £'000
Retained earnings at the start of the year	6,707	(79,370)
(Loss)/profit for the year	(84,470)	1,376,077
Distributions paid	-	(1,290,000)
Retained Loss at the end of the year	<u><u>(77,763)</u></u>	<u><u>6,707</u></u>


St Christopher's (Trading) Limited

Balance sheet at 31 March 2021

		2021		2020	
		£	£	£	£
Fixed assets	Notes				
Tangible fixed assets	7		211,216		221,127
Current assets					
Debtors	8	398,404		778,183	
Cash at bank and in hand		273,176		347,141	
		<u>671,580</u>		<u>1,125,324</u>	
Creditors – amounts falling due within one year	9	<u>(560,559)</u>		<u>(939,744)</u>	
Net current assets			111,021		185,580
Total assets less current liabilities			<u>322,237</u>		<u>406,707</u>
Capital and reserves					
Called up share capital	10		400,000		400,000
Profit and loss account			(77,763)		6,707
Shareholder's funds – equity interests	11		<u>322,237</u>		<u>406,707</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

These financial statements were approved by the Board on 1/12/2021


M S O'Leary, Director

St Christopher's (Trading) Limited

Notes to the financial statements For the year ended 31 March 2021

1 Accounting policies

1.1 Basis of preparation of financial statements

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. The financial statements have also been prepared on a going concern basis.

The company has taken advantage of the disclosure exemption in Section 7 of FRS 102 and has not prepared a Statement of Cash Flows.

1.2 COVID-19

COVID-19 led to the company's shops being closed for a total of seven months in 2020/21 to comply with public health guidelines and accompanying lockdowns.

Turnover since reopening on 12th April 2021 has been good. There are also positive signs of fewer hospitalisations and mass vaccine take-up within the UK.

In addition, the company's parent St Christopher's Hospice has agreed to support it, and provide a guarantee, for any costs incurred during the year for which the company does not have funds to pay for itself.

As a result, the company continues to adopt the going concern basis of accounting in preparing the Annual Report and Accounts.

1.3 Turnover

The turnover is attributable to the sale of goods in charity shops within the United Kingdom.

1.4 Income from Coronavirus Job Retention Scheme (furlough)

Income from the UK government's Coronavirus Job Retention Scheme has been recognised on an accruals basis.

1.5 Income from COVID 19 grants from local councils

Income from COVID 19 grants from local councils has been recognised on an accruals basis.

1.6 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Freehold property	- 2% p.a. straight line on cost of buildings
Fixtures and fittings	- 10% p.a. straight line on cost
Motor vehicles	- 33 ¹ / ₃ % p.a. straight line on cost
Equipment	-10% to 33 ¹ / ₃ % straight line on cost

St Christopher's (Trading) Limited

Notes to the financial statements For the year ended 31 March 2021

1.7 Operating leases

Rentals payable under operating leases are charged on a straight-line basis over the term of the lease.

1.8 Debtors

Short term debtors are measured at transaction price, less any impairment.

1.9 Creditors

Short term trade creditors are measured at the transaction price.

2. Other operating income

	2021 £	2020 £
Rental income	47,100	47,100
Other income	31,584	3,000
Coronavirus Job Retention Scheme (furlough)	506,921	19,500
COVID 19 grants from local councils	438,688	550,000
	<u>1,024,293</u>	<u>619,600</u>

3. Operating (Loss)/Profit

	2021 £	2020 £
Operating (loss)/profit is stated after charging:		
Directors' remuneration	-	-
Depreciation of tangible assets	9,911	10,617
Auditors' remuneration – audit fee	5,350	5,000
Auditors' remuneration – tax compliance services	3,870	1,050
Operating lease rentals – land and buildings	<u>688,538</u>	<u>737,710</u>

4. Other interest receivable and similar income

	2021 £	2020 £
Bank interest	<u>63</u>	<u>927</u>

St Christopher's (Trading) Limited

Notes to the financial statements For the year ended 31 March 2021

5. Taxation

There was no tax charge for the year (2020: Nil).

6. Staff costs

	2021 £	2020 £
Total staff costs	1,643,698	1,514,149

Total staff costs are paid by the ultimate parent company, St Christopher's Hospice, and charged to St Christopher's (Trading) Limited.

	FTEs	FTEs
The average number of employees on a full time equivalent (FTE) basis during the year was:-	55	50

7. Tangible fixed assets

	Freehold property £	Equipment / Motor vehicles	Total £
Cost			
At 1 April 2020 & 31 March 2021	318,974	34,217	353,191
Depreciation			
At 1 April 2020	104,615	27,449	132,064
Charge for the year	6,379	3,532	9,911
At 31 March 2021	110,994	30,981	141,975
Net book values			
At 31 March 2021	207,980	3,236	211,216
At 1 April 2020	214,359	6,768	221,127

St Christopher's (Trading) Limited

Notes to the financial statements For the year ended 31 March 2021

8. Debtors – amounts falling due within one year

	2021 £	2020 £
Other debtors and prepayments	398,404	778,183

9. Creditors – amounts falling due within one year

	2021 £	2020 £
Trade creditors	3,363	3,270
Amounts owed to parent	451,337	846,940
Other creditors and accruals	105,859	89,534
	560,559	939,744

10. Share capital

	2021 £	2020 £
Authorised:		
Ordinary shares of £1 each	400,000	400,000
Allotted, called up and fully paid:		
400,000 ordinary shares of £1 (2020: 400,000)	400,000	400,000

11. Reconciliation of movements in shareholder's funds

	2021 £	2020 £
Shareholder's funds at 1 April 2020	406,707	320,630
Loss for the financial year	(84,470)	1,376,077
Distribution to parent charity	-	(1,290,000)
Shareholder's funds at 31 March 2021	322,237	406,707

St Christopher's (Trading) Limited

Notes to the financial statements For the year ended 31 March 2021

12. Lease commitments

The company leases a number of properties. The minimum rental under these leases is as follows:

	Land and Buildings	
	2021	2020
	£	£
Within one year	688,538	737,710
In two to five years	2,549,896	2,314,978
Over five years	1,869,146	1,913,646
	<u>5,107,580</u>	<u>4,966,334</u>

13. Parent Undertaking

The company's ultimate and immediate parent undertaking and controlling entity is St Christopher's Hospice (company registration number 00681880), a registered charity in England and Wales (Registration number 210667). The principal address of St Christopher's Hospice is 51-59 Lawrie Park Road, Sydenham, SE26 6DZ. Group financial statements have been prepared for the year ended 31 March 2021 and may be obtained from this address.

14. Related parties

The company has taken advantage of the exemption in FRS 102 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate controlling party.

15. Post balance sheet events

Our shops reopened on 12th April 2021 after being closed for a number of months to comply with public health guidelines in relation to COVID-19. Turnover since reopening has been good. There are also positive signs of fewer hospitalisations and mass vaccine take-up within the UK.

However, as with most organisations, there remains an inherent uncertainty as to the future stages of the COVID-19 pandemic and the underlying economy, and how both of these will impact on St Christopher's (Trading) Limited.