

Companies House

T L M TRADING LIMITED

Financial Statements

31 December 1996

CHANTRY VELLACOTT



T L M TRADING LIMITED

Financial statements for the period ended 31 December 1996

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T L M TRADING LIMITED

Directors, officers and advisers

Directors

W P Bakker
D A Chand
D C R Fairfax-Lucy
A D Gray
B W Long
D G Selley
L R Springett

Secretary and registered office

K L Nicholson
c/o The Leprosy Mission
Goldhay Way
Orton Goldhay
Peterborough
PE2 5GZ

Registered number

3045864 (England & Wales)

Auditors

Chantrey Vellacott
Chartered Accountants
Derngate Mews
Derngate
Northampton
NN1 1UE

Bankers

Barclays Bank Plc
Peterborough Business Centre
Peterborough

Solicitors

Palmer Wheeldon
Daedalus House
Station Road
Cambridge
CB1 2RE

CHAIRMAN'S STATEMENT

I am pleased, on behalf of the Directors, to present these accounts for the Trading Company. They show another increase in turnover, but conceal other important details of the operation. It should be noted that the two accounting periods are not directly comparable. There was a seven-month period to 31 March 1996, followed by a nine-month period to 31 December 1996. 1997 will be the Company's first full twelve-month year.

TLM Trading Limited was formed to achieve four main aims in no particular order, these remain:

- to raise the profile of The Leprosy Mission
- to provide an outlet for goods produced by leprosy patients
- to raise funds for the work of The Leprosy Mission worldwide
- adding names to the database of the Mission supporters


It is hoped that the catalogue for Christmas 1997 will show a significant increase in the number of items produced by leprosy patients. This will have a double benefit in producing awareness of the skills available and helping to restore dignity and self-esteem to the patients. This we will seek to increase further.

The Company spent approximately £33,000 on renting mailing lists, which generated very profitable sales. This also added a further 6,000 names to the database who, hopefully, will continue to purchase from the catalogues and support the Mission. As a result of the generosity of customers there was a further £55,000 in donations to The Leprosy Mission which does not appear in the TLM Trading Limited accounts. We were also able to pass on nearly £12,000 in commission and discounts to National Councils.

Purchase from "Flying Flowers" by customers led to The Leprosy Mission being directly credited with an extra £1,500.

An increasing number of Bookshops have taken items from our catalogue for sale direct to the public. With nearly one million Christmas cards sold by the Company in 1996, the number of people who will have seen the name of The Leprosy Mission is considerable.

I cannot conclude this report without thanking Noel C Jones, our Chief Executive Officer, for his hard work, vision and leadership since he joined the Company in March 1996. I would also want to thank not only our staff in the Trading Company, but also the staff within the Mission. Thanks are due especially to the 45 volunteers who gave generously of their time and enthusiasm and helped to make 1996 such a successful year


DAVID G SELLEY
Chairman

T L M TRADING LIMITED

Directors' report for the period ended 31 December 1996

The directors present their report and the financial statements of the company for the nine months ended 31 December 1996.

Principal activity

The principal activity of the company is the purchase and resale of goods in order to raise funds for the parent charity, The Leprosy Mission England, Wales, the Channel Islands and the Isle of Man.

Review of the business

Turnover for the period was £551,565. The directors consider that the period end financial position was satisfactory and that the level of activity will increase in the following years.

Results and dividends

The results for the period ended 31 December 1996 are shown in the profit and loss account on page 6. The profit for the period after taxation was £3,402.

Directors

The directors who served during the period were:

W P Bakker
D C R Fairfax-Lucy
A D Gray
B W Long
K W Martin (resigned 5 June 1996)
D G Selley
L R Springett
D A Chand (appointed 28 August 1996)

Directors' responsibilities

Company law requires the directors to prepare financial statements which give a true and fair view of the state of affairs of the company at the end of its financial year and of the profit or loss of the company for the year then ended. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgments 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.

T L M TRADING LIMITED

Directors' report for the period ended 31 December 1996

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

Directors' interests in shares

No director had any beneficial interest in the ordinary shares of the company during the period.

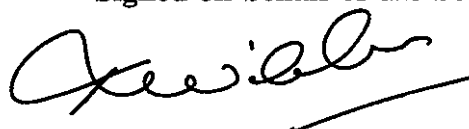
Close company status

The close company provisions of the Income and Corporation Taxes Act 1988 apply to the company.

Auditors

A resolution to reappoint Chantrey Vellacott as auditors of the company will be proposed at the forthcoming Annual General Meeting.

Signed on behalf of the board



Secretary
24 April 1997

AUDITORS' REPORT TO THE MEMBERS OF T L M TRADING LIMITED

We have audited the financial statements on pages 6 to 12 which have been prepared under the historical cost convention and the accounting policies set out in note 1 on page 8.

Respective responsibilities of directors and auditors

As described on pages 3 and 4 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

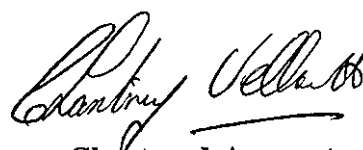
Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 1996 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



Chartered Accountants
Registered Auditors

NORTHAMPTON
24 April 1997

T L M TRADING LIMITED

Profit and loss account for the period ended 31 December 1996

	Notes	31 December 1996 £	31 March 1996 £
Turnover	2	551,565	356,640
Cost of sales		(266,997)	(156,771)
Gross profit		<u>284,568</u>	<u>199,869</u>
Distribution costs		(142,252)	(90,605)
Administrative expenses		(126,991)	(95,548)
Net operating expenses		<u>(269,243)</u>	<u>(186,153)</u>
Operating profit		15,325	13,716
Bank interest receivable		425	952
Interest payable	3	(10,651)	(4,715)
Profit on ordinary activities before taxation	4	5,099	9,953
Tax on profit on ordinary activities	7	1,697	2,568
Profit for the financial period	14	<u>£ 3,402</u>	<u>£ 7,385</u>

The company has no recognised gains and losses other than those included in the profits above and therefore no separate statement of total recognised gains and losses have been presented.

There is no difference between the profits shown above and their historical cost equivalents.

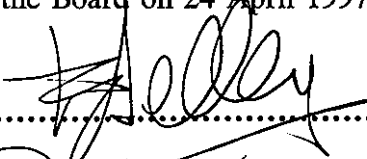
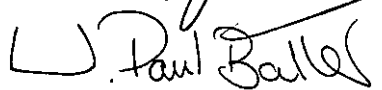
The notes on pages 8 to 12 form part of these financial statements.

T L M TRADING LIMITED

Balance sheet at 31 December 1996

		31 December 1996		31 March 1996	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	8		14,807		14,401
Current assets					
Stocks	9	184,745		85,345	
Debtors	10	31,673		17,877	
Cash at bank and in hand		7,640		10,707	
		224,058		113,929	
Creditors: amounts falling due within one year	11	(227,320)		(120,217)	
Net current liabilities			(3,262)		(6,288)
Total assets less current liabilities			11,545		8,113
Provisions for liabilities and charges					
Deferred taxation	12		(68)		(263)
			£11,477		£7,850
Capital and reserves					
Called up share capital	13		690		465
Profit and loss account	14		10,787		7,385
Shareholders' funds	15		£11,477		£7,850

Approved by the Board on 24 April 1997 and signed on its behalf.


Chairman

Director

The notes on pages 8 to 12 form part of these financial statements.

T L M TRADING LIMITED

Notes to the financial statements for the period ended 31 December 1996

1 Accounting policies

a) Basis of accounting

The financial statements are prepared on the historical cost basis of accounting.

b) Depreciation of tangible fixed assets

Depreciation on tangible fixed assets is charged so as to write off their full costs less estimated residual value over their expected useful lives at the following rates:-

Office and computer equipment	- 33 1/3% of cost per annum
Motor vehicles	- 25% of cost per annum
Fixtures and fittings	- 10% of cost per annum

c) Stocks

Stocks are valued at the lower of cost and net realisable value.

d) Deferred taxation

Deferred taxation is provided under the liability method in respect of all material timing differences between the profits as computed for taxation purposes and the profits as stated in the financial statements, to the extent that it is probable that a liability or asset will crystallise. The rate of tax used is that which is expected to be applied when the liability or asset is expected to crystallise.

e) Pensions

Contributions to The Leprosy Mission Central Pension scheme are charged to the profit and loss account so as to spread the cost of pensions over the expected service of the employees. Variations from the regular cost are spread over the expected service lives of current employees in the scheme.

2 Turnover

Turnover represents the amounts receivable for goods sold during the period, exclusive of VAT.

3 Interest payable

	31.12.96	31.3.96
	£	£
On loans wholly repayable within 5 years	£10,651	£4,715
	=====	=====

T L M TRADING LIMITED

Notes to the financial statements for the period ended 31 December 1996

4 Profit on ordinary activities before taxation	31.12.96	31.3.96
This is stated after charging/(crediting):	£	£
Donation to The Leprosy Mission England, Wales, the Channel Islands and the Isle of Man	-	20,000
Depreciation	4,140	1,218
Auditors' remuneration	2,500	1,200
Profit on disposal of fixed assets	(5)	-
	<u> </u>	<u> </u>

5 Directors' emoluments

The directors did not receive any remuneration during the period.

6 Employee information	31.12.96	31.3.96
	£	£
a) Staff costs:		
Wages and salaries	71,058	26,468
Social security costs	5,298	1,941
Pension costs	9,068	3,875
	<u> </u>	<u> </u>
	£85,424	£32,284
	<u> </u>	<u> </u>

b) The average number of persons employed during the period, including executive directors, was made up as follows:

	Number	Number
Administration and selling	7	4
	<u> </u>	<u> </u>

7 Tax on profit on ordinary activities	31.12.96	31.3.96
	£	£
United Kingdom Corporation Tax based on the profit for the period at 24%	1,892	2,305
Deferred taxation	(195)	263
	<u> </u>	<u> </u>
	£1,697	£2,568
	<u> </u>	<u> </u>

T L M TRADING LIMITED

Notes to the financial statements for the period ended 31 December 1996

8	Tangible fixed assets	Office and computer equipment £	Motor vehicle £	Fixtures and fittings £	Total £
	Cost				
	At 1 April 1996	4,422	8,800	2,397	15,619
	Additions	1,468	-	3,173	4,641
	Disposals	-	-	(100)	(100)
		<hr/>	<hr/>	<hr/>	<hr/>
	At 31 December 1996	5,890	8,800	5,470	20,160
		<hr/>	<hr/>	<hr/>	<hr/>
	Depreciation				
	At 1 April 1996	713	367	138	1,218
	Provision for period	1,655	2,200	285	4,140
	Disposals	-	-	(5)	(5)
		<hr/>	<hr/>	<hr/>	<hr/>
	At 31 December 1996	2,368	2,567	418	5,353
		<hr/>	<hr/>	<hr/>	<hr/>
	Net book value				
	At 31 December 1996	£ 3,522	£ 6,233	£ 5,052	£14,807
		<hr/>	<hr/>	<hr/>	<hr/>
	At 31 March 1996	£ 3,709	£ 8,433	£ 2,259	£14,401
		<hr/>	<hr/>	<hr/>	<hr/>
9	Stocks			31.12.96	31.3.96
	Finished goods and goods for resale			£184,745	£ 85,345
				<hr/>	<hr/>
10	Debtors			31.12.96	31.3.96
				£	£
	Trade debtors			16,388	9,653
	Amounts owed by parent company			3,128	1,174
	Other debtors			7,783	5,227
	Prepayments and accrued income			4,374	1,823
				<hr/>	<hr/>
				£31,673	£17,877
				<hr/>	<hr/>

T L M TRADING LIMITED

Notes to the financial statements for the period ended 31 December 1996

11 Creditors: Amounts falling due within one year	31.12.96	31.3.96
	£	£
Trade creditors	69,502	15,171
Debenture loan (secured)	150,000	100,000
Corporation tax	1,892	2,305
Other creditors	3,347	1,028
Accruals and deferred income	2,579	1,713
	<u>£227,320</u>	<u>£120,217</u>

The debenture loan is secured by a fixed and floating charge over the assets of the company. Interest is payable at the rate of 3% above Barclays Bank base rate.

12 Deferred taxation	31.12.96	31.3.96
	Amount provided	Amount provided
	£	£
Accelerated capital allowances	68	263
	<u> </u>	<u> </u>
Movement during the period:		£
At 1 April 1996		263
Release for the period		(195)
		<u> </u>
At 31 December 1996		£ 68
		<u> </u>

13 Called up share capital	31.12.96	31.3.96
	Allotted and	Allotted and
	Authorised	Authorised
	fully paid	fully paid
	£	£
Equity shares:		
70,000 ordinary shares of £5 each,		
of which 138 have been allotted	£350,000	£ 465
	<u> </u>	<u> </u>

A further 45 shares were issued on 30 August 1996 in respect of funds received.

T L M TRADING LIMITED

Notes to the financial statements for the period ended 31 December 1996

14 Reserves

Profit and loss account

	£
At 1 April 1996	7,385
Profit retained for the period	3,402

At 31 December 1996	10,787
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15 Reconciliation of movement on shareholders' funds	31.12.96	31.3.96
	£	£
Profit for the financial period	3,402	7,385
Share capital issued during the period	225	465
Opening shareholders' funds	7,850	-
	<hr/>	<hr/>
Closing shareholders' funds	£11,477	£ 7,850
	<hr/>	<hr/>

16 Directors' interests in contracts

During the period the company paid consultancy fees totalling £4,900 to Selley Associates. D G Selley, a director of TLM Trading Limited, is also the principal of Selley Associates. These consultancy fees were incurred in respect of work carried out setting up the company and acting as Chief Executive until the appointment of the Chief Executive Officer in February 1996.

No other director had any material interest during the period in any contract with the company.

17 Ultimate parent company

The ultimate parent company is The Leprosy Mission England, Wales, the Channel Islands and the Isle of Man, a company limited by guarantee and a registered charity.

The company number which is registered in England and Wales is 3140347 and the registered charity number is 1050327.

18 Pension contributions

Certain employees of the company participate in The Leprosy Mission Central Pension Scheme. This scheme is a non-contributory scheme providing benefits based upon career averaged re-valued earnings. The assets of the scheme are held separately from those of the company, being invested by the scheme trustees in consultation with the stockbrokers.

The latest actuarial valuation of the scheme was conducted on 31 December 1994. Details of this valuation are contained in the financial statements of The Leprosy Mission England, Wales, The Channel Islands and The Isle of Man.

The pension charge for the period is £9,068 (period ended 31 March 1996 - £3,875).