

# **TLM Trading Limited**

## **The Directors' Report and Financial Statements**



**31 December 2018**

Company number: 3045864 (registered in England and Wales)

# **TLM TRADING LIMITED**

## **Financial statements for the year ended 31 December 2018**

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## **TLM TRADING LIMITED**

### **Officers and professional advisers**

#### **Board of Directors**

Alan D Gray	
Christopher J Wickenden	Chair Person (Appointed: 13 December 2018)
Colin Osborne	
Jo-Anne Thomson	Chief Executive Officer
Peter F Wright	
Peter L Waddup	
Stephen J Hammersley	Chair Person (Until: 13 December 2018)
Stuart J Green	

#### **Company Secretary and registered office**

Alan D Gray  
c/o TLM Trading Limited  
80 Windmill Road  
Brentford, Middlesex  
TW8 0QH

**Registered number**  
3045864 (England & Wales)

**Auditors**  
haysmacintyre  
Chartered Accountants  
10 Queen Street Place  
London  
EC4R 1AG

**Bankers**  
Barclays Bank plc  
Peterborough Business Centre  
P O Box 294  
1 Church Street  
Peterborough

**Pension scheme actuaries**  
Peter Shellswell  
First Actuarial LLP  
Network House  
Basing View, Basingstoke  
Hampshire, RG21 4HG

## **TLM TRADING LIMITED**

### **Directors' Report 2018**

#### **Chair Person's Report**

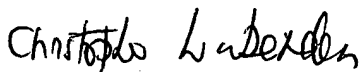
I am delighted that in the years to 31 December 2018 the company has again made a significant contribution to the work of The Leprosy Mission. We thank God and again recognise the tremendous contribution made by Jo-Anne, our Chief Executive, and her colleagues as they have delivered on our strategy to maximise the value of the company to the charity through donations and awareness raising and through profitable trading. We also value the help and support we have received from the Leprosy Mission's UK member charities, namely England and Wales, Scotland and Northern Ireland.


This year our trading profit was depressed by an unexpectedly large charge for pension provision and a conscious decision to invest £35,000 in the website and e-commerce capabilities that are vital to the future success of the company. The funds raised for The Leprosy Mission via donations and Gift for Life, however, were almost 20% up on last year totalling £430,185, which was a tremendous achievement.

The Board reviews regularly the risks to which the company is exposed and our mitigating actions. The Board continues to support our Chief Executive engaging proactively in the global fellowship of The Leprosy Mission and we are pleased that Jo-Anne has continued as convenor of the Fundraising Working Group.

The market we are operating in is challenging, but there are also opportunities for growth. I was delighted that during the year Christopher J Wickenden indicated that he was prepared to consider stepping up to chair the Board through the opportunities and challenges that this will bring for the company. Mindful of Christopher's financial and business skills and his heart for the work of the company and the charity I was delighted that the Board unanimously elected Christopher as Chair in December 2018.

I thank all the Directors for their wise counsel and oversight of the company while I have been chair and their commitment to working and praying for its success. Long may that continue and I look forward to supporting our new chair in a similar way.



 **Stephen J Hammersley (Until: 13 December 2018)**  
**Chair Person**

## **TLM TRADING LIMITED**

### **Directors' Report 2018**

The directors present their report and the financial statements of the company for the year ended 31 December 2018.

TLM Trading Limited is the subsidiary of The Leprosy Mission International (TLMi). TLMi is the leading and coordinating body for The Leprosy Mission Global Fellowship, an unincorporated partnership of entities operating in the name of the Leprosy Mission in 31 countries.

#### **Principal activity**

The company's main activity is the enhancement of The Leprosy Mission profile by means of mail order catalogues and its e-commerce website. The company supports the purchase and resale of products made by people affected by leprosy as well as from other sources, increases the number of supporters for The Leprosy Mission, provides funds through donations added to orders, and enables the sale of Gifts for Life for projects funded by The Leprosy Mission.

#### **Results**

The trading results for the year and the company's financial position at the end of the year are shown in the attached financial statements, delivering a profit of £7,470 (2017: £73,157). Additionally, the company raised funds for The Leprosy Mission via donations and Gift for Life totalling £430,185 (2017: £360,207). These sums have been paid over to The Leprosy Mission as donations from supporters.

#### **Directors**

The directors who served during the year and subsequently were:

Alan D Gray	
Christopher J Wickenden	Chair Person (Appointed: 13 December 2018)
Colin Osborne	
Jo-Anne Thomson	Chief Executive Officer
Peter F Wright	
Peter L Waddup	
Stephen J Hammersley	Chair Person (Until: 13 December 2018)
Stuart J Green	

#### **Future developments**

In 2019 our priorities will be:

To work closely with our fulfilment partner to continue to improve customer service and accurate and timely product delivery. We will reinforce this by conducting customer research to continue to improve our understanding of our customers' needs and how we can serve them better. This will help drive forward our Mission-first strategy by engaging customers in the work of the Mission to transform the lives of people affected by leprosy, whilst adding value via Trading profit, raising donations in excess of £400,000, and acquiring new customers. We will also implement new customer personalisation initiatives that will drive customer engagement.

Another key focus for 2019 is to explore new long term opportunities for growth, and evaluate viable routes that could step-change performance. Whilst doing this, we will continue to develop and drive TLM Trading Limited's successful value-adding strategic actions:

- Acquisition of new customers and engaging them to become loyal donors
- Development of the growing TLM branded range, and branded Trade initiatives, which build awareness of the Mission's work

## **TLM TRADING LIMITED**

### **Directors' Report 2018**

#### **Future Developments (Continued)**

- Development of the growing TLM branded range, and branded Trade initiatives, which build awareness of the Mission's work
- Encourage more customers to use the website which reduces costs and speeds up product delivery
- Launch personalised Gifts forLife to help target new, younger customers
- Product development meetings with the artisan groups to help provide livelihoods for people affected by leprosy

#### **Directors' responsibilities**

Company law requires the Directors to prepare Financial Statements for each financial year, which give a true and fair view of the charity's and group's financial activities during the year and of its financial position at the end of the year. In preparing those Financial Statements giving a true and fair view, the Directors are required to:

- Select suitable accounting policies and then apply them consistently
- Make judgements and estimates that are reasonable and prudent
- State whether applicable accounting standards and statements of recommended practice have been followed
- Prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the company will continue in operation.

The Directors also confirm that, 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
- 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.
- The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and which 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.

In preparing this report, the Directors have taken advantage of the exemptions available to small companies and have not prepared a strategic report.

#### **Auditors**

A resolution to re-appoint haysmacintyre as auditors of the company will be proposed at the forthcoming Annual General Meeting.

Signed by order of the board



**Jo-Anne Thomson**  
**Chief Executive Officer**

**Approved by the directors on 28 March 2019**

# TLM TRADING LIMITED

## Independent auditor's report to the members of TLM Trading Limited

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### Opinion

We have audited the financial statements of TLM Trading Limited (the 'company') for the year ended 31 December 2018 which comprise the Profit and Loss Account, the Statement of Comprehensive Income, the Balance Sheet and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

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

### Conclusions relating to going concern

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

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

### Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Opinions on other matters prescribed by the Companies Act 2006

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

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

## TLM TRADING LIMITED

### Independent auditor's report to the members of TLM Trading Limited (Continued)

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#### Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

#### Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 4, 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.

#### Use of our 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.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.



Murtaza Jessa (Senior Statutory Auditor)

For and on behalf of haysmacintyre, Statutory Auditors

29 March 2019

10 Queen Street Place  
London, EC4R 1AG



**TLM TRADING LIMITED**

Company Registered in England and Wales

Company Number: 3045864

**Profit and loss account for the year ended 31 December 2018**

	Notes	2018 £	2017 £
Turnover	2	1,448,276	1,426,852
Cost of Sales		(520,704)	(538,513)
Gross Profit		927,572	888,339
Other Income	3	142,920	120,766
Distribution costs		(687,946)	(638,766)
Administration expenses		(331,076)	(297,182)
Net Operating expenses		(1,019,022)	(935,948)
Operating Profit		51,470	73,157
Bank Interest / Royalties receivable		-	-
Profit on ordinary activities before taxation	4	51,470	73,157
Tax (charge) / credit on profit on ordinary activities		-	-
Profit for the financial year		51,470	73,157

None of the company's activities were acquired or discontinued during the above two financial years.

In addition to the results above, the company incurred actuarial losses in respect of its multi-employer pension scheme liability. These are presented in the Statement of Other Comprehensive Income.

The notes on pages 9 to 14 form part of these financial statements.

**Statement of Comprehensive Income for the year ended 31 December 2018**

	2018 £	2017 £
Profit for the financial year	51,470	73,157
Remeasurement (loss) / gain on defined benefit pension scheme	(44,000)	-
Total comprehensive income for the year	7,470	73,157

**TLM TRADING LIMITED**

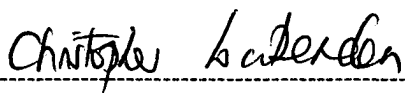
Company Registered in England and Wales

Company Number: 3045864

**Balance sheet at 31 December 2018**

	Notes	£	2018 £	£	2017 £
<b>Fixed assets</b>					
Tangible assets	7		180		683
<b>Current assets</b>					
Stocks	8	168,734		211,507	
Debtors	9	53,476		186,046	
Cash at bank and in hand		358,086		154,573	
		<u>580,296</u>		<u>552,126</u>	
<b>Creditors: amounts falling due within one year</b>	10	<u>(180,317)</u>		<u>(204,120)</u>	
Net current Assets			399,979		348,006
<b>Creditors: amounts falling due after one year</b>			<u>(48,000)</u>		<u>(4,000)</u>
<b>Net Assets</b>			<u>352,159</u>		<u>344,689</u>
<b>Capital and reserves</b>					
Called up share capital	13		200,000		200,000
Profit and loss account	14		152,159		144,689
<b>Shareholders' funds</b>	15		<u>352,159</u>		<u>344,689</u>

Approved and authorised for issue by the Board on 28 March 2019 and signed on its behalf.

Christopher J Wickenden,  
Chair PersonJo-Anne Thomson,  
Director

The notes on pages 9 to 14 form part of these financial statements

## **TLM TRADING LIMITED**

Company Registered in England and Wales

Company Number: 3045864

### **Notes to the financial statements for the year ended 31 December 2018**

#### **1. Accounting policies**

##### **a) Basis of accounting**

These financial statements have been prepared in with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – 'The Financial reporting Standard applicable in the United Kingdom and republic of Ireland' ('FRS 102'), and with the Companies Act 2006. The financial statements have been prepared on the historical cost basis except for the modification to a fair value basis for certain financial instruments as specified in the accounting policies below. The company has taken advantage of the exemptions provided by FRS 102 and has not prepared a cash flow statement for the period. The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates and the policies in relation to these areas are set out below.

##### **b) General information**

TLM Trading Limited is a company limited by shares incorporated within the United Kingdom. The address of the registered office is 80 Windmill Road, Brentford, Middlesex, TW8 0QH

##### **c) Fixed assets and depreciation**

All fixed assets are recorded at cost less depreciation. Depreciation is not charged on assets not yet in use. Depreciation on other tangible fixed assets is charged so as to write off the cost of an asset over the expected useful economic life of that asset at the following rates:

Office and computer equipment	-	33 1/3% of cost per annum
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##### **d) Stocks**

Stocks consist of merchandise for resale by TLM Trading Limited and are valued at the lower of cost and net realisable value. Cost is determined principally on the first in first out basis. Net realisable value is the expected price at which stock can be realised.

##### **e) Taxation**

TLM Trading Limited is a wholly owned trading subsidiary of The Leprosy Mission International. TLM Trading Limited has brought forward tax losses which have been offset against the profits of the company. It is the intention of the directors to begin to pay profits to the parent charity under the Gift Aid scheme.

##### **f) Pensions**

The company operates a non-contributory defined contribution pension scheme with Aviva (formerly Friends Life). Previously it participated in a multi-employer defined benefit scheme, providing benefits based upon career averaged revalued earnings which was closed on 31 March 2013 for all employees. In accordance with FRS 102, deficit funding for the pension scheme in which the company participates is accrued at current value in creditors falling due after more than one year. For additional information please refer to Note 19.

##### **g) Operating lease transactions**

Rentals under operating leases are charged to the profit and loss account as they fall due.

##### **h) Donations and Gift for Life Donations**

These are received on behalf of TLM England and Wales, TLM Scotland and TLM Northern Ireland and passed on and accounted for in the respective charity.

## TLM TRADING LIMITED

Company Registered in England and Wales

Company Number: 3045864

### Notes to the financial statements for the year ended 31 December 2018

#### i) Income from Advertisement space in Trading Catalogues

Trading catalogues provide space for promotion of the Mission's work and enable sale of GFL and Donations. The advert income represents the fee charged to supporting countries

#### j) Going concern

After reviewing the company's forecasts and projections, the directors have a reasonable expectation that TLM Trading Ltd has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

### 2. Turnover

Turnover represents the amounts receivable for goods sold during the year, exclusive of Value Added Tax. Sales of goods are recognised upon the dispatch of goods to the customers after any returns.

### 3. Other Income

	2018 £	2017 £
Miscellaneous income (represents the advertisements space provided in catalogues for Gifts for Life)	107,546	90,045
Voluntary Income from Retail and Trade customers	1,597	1,561
Event Income	3,937	-
New Donors Recruitment	4,840	4,160
Grant for Promoting Artisan development	25,000	25,000
	<u>142,920</u>	<u>120,766</u>

### 4. Profit / (loss) on ordinary activities before taxation

	2018 £	2017 £
This is stated after charging:		
Depreciation - office and computer equipment	503	502
Auditor's remuneration	7,100	6,700

### 5. Remuneration of Key Management Personnel

Key Management Personnel are deemed to be those having authority and responsibility delegated to them by the Directors of TLM Trading Ltd for planning, directing and controlling the activities of the Company. During 2018, TLM Trading Ltd considers its key management personnel comprises of the Chief Executive officer.

The total Chief Executive Officer's remuneration was £49,542 (2017: £48,259) and pension contribution was £4,954 (2017: £4,826).

TLM Trading Limited has purchased indemnity insurance that provides cover:

- to protect the company from loss arising from the neglect or defaults of its directors, employees or agents
- to indemnify the directors or other officers against the consequences of any neglect or default on their part

**TLM TRADING LIMITED**

Company Registered in England and Wales

Company Number: 3045864

**Notes to the financial statements for the year ended 31 December 2018****6. Employee information**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
a) Staff Costs:		
Wages and Salaries	191,169	178,958
Social Security Costs	18,010	16,733
Pension Costs	25,025	26,104
	<u>234,204</u>	<u>221,795</u>

b) The average number of persons employed during the year was made up as follows

	<b>2018</b>	<b>2017</b>
Administration and Selling	<u>5</u>	<u>5</u>

**7. Tangible assets**

	<b>Office &amp; Computer Equipment £</b>
<b>Cost</b>	
At 1 January 2018	50,738
Additions	-
Disposals	-
At 31 December 2018	<u>50,738</u>
<b>Depreciation</b>	
At 1 January 2018	50,055
Disposals	-
Provision for year	503
At 31 December 2018	<u>50,558</u>
<b>Net book value</b>	
At 31 December 2018	<u>180</u>
At 31 December 2017	<u>683</u>

**TLM TRADING LIMITED**

Company Registered in England and Wales

Company Number: 3045864

**Notes to the financial statements for the year ended 31 December 2018****8. Stocks**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Goods for resale at lower of cost and net realisable value	<u>168,734</u>	<u>211,507</u>

**9. Debtors**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Trade Debtors	23,317	36,851
Other Debtors*	<u>30,159</u>	<u>149,195</u>
	<u>53,476</u>	<u>186,046</u>

\* Other Debtors include £24,809, (2017: £19,671) owed by the parent company (See note 17); The decrease in debtors is owed to the process change in 2018 in collection of credit card payments from customers

**10. Creditors: amounts due within one year**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Trade creditors	68,535	21,236
Other taxes and social security costs	15,703	37,552
Other creditors	88,979	117,663
Accruals	<u>7,100</u>	<u>27,669</u>
	<u>180,317</u>	<u>204,120</u>

**11. Creditors: amounts due after one year**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Multi employer pension scheme liability	<u>48,000</u>	<u>4,000</u>

The Multi-employer pension scheme liability is an amount recognised from the past employees of the company in accordance with FRS 102. The company has recognised the liability and discounted it back to its net present value.

**TLM TRADING LIMITED**

Company Registered in England and Wales

Company Number: 3045864

**Notes to the financial statements for the year ended 31 December 2018****12. Contingent liability**

The company has a loan facility from The Leprosy Mission International for a maximum of £250,000 bearing interest at 1.5% above Barclays Bank Plc base rate. This facility is secured by a debenture over the assets of the company. At 31 December 2018 no amounts were outstanding on this loan facility (2017: £nil).

**13. Called up share capital**

	2018		2017	
	£	£	£	£
	Authorised	Allotted, called up and fully paid	Authorised	Allotted, called up and fully paid
Equity shares:				
200,000 ordinary shares of £5 each				
of which 40,000 have been allotted	1,000,000	200,000	1,000,000	200,000

**14. Reserves**

	Profit and loss account	
	2018	2017
	£	£
At 1 January	144,689	71,532
Total comprehensive income for the year	7,470	73,157
At 31 December	152,159	144,689

**15. Reconciliation of movement on shareholders' funds**

	2018	2017
	£	£
Opening shareholders' funds	344,689	271,532
Total comprehensive income for the year	7,470	73,157
Closing shareholders' funds	352,159	344,689

**16. Related party transactions**

The company is a wholly owned subsidiary of The Leprosy Mission International, whose financial statements are publicly available. The company is therefore exempt from the requirement to disclose transactions with group companies under FRS 102, Section 33.

## **TLM TRADING LIMITED**

Company Registered in England and Wales

Company Number: 3045864

### **Notes to the financial statements for the year ended 31 December 2018**

#### **17. Ultimate parent company**

The ultimate parent company is The Leprosy Mission International (TLMi), a company limited by guarantee and a registered charity. The company which is registered in England and Wales is number 3591514 and is a registered charity number 1076356.

The Leprosy Mission International is both the smallest and largest group for which financial statements are prepared. The group financial statements are available to the public and may be obtained from Companies House, Cardiff.

At 31 December 2018, an amount of £24,809 was due from the parent company, The Leprosy Mission International through its inter-company account which is settled during the year. TLMi provides accounting services to TLM Trading Limited and a fee of £16,680 (2017: £26,000) was charged to the Administration expenses. TLMi also made a grant of £25,000 for 2018, to promote development of artisan products by people affected by leprosy and disability groups. This is in support of TLMi's charitable objectives.

#### **18. Defined benefit pension**

The company operated a non-contributory multi-employer pension scheme providing benefits based upon career averaged re-valued earnings. The career averaged re-valued earnings scheme was closed to new members effective from 12 November 2007 and with effect from 31 March 2013 the scheme was closed to new accruals. The Company's pension contributions are determined by a qualified actuary on the basis of triennial valuations.

The last actuarial valuation was made as at 31 December 2015 using the projected unit valuation method and the market value of the assets represented 87% of the market value of the liabilities. After taking into account the results of the triennial valuation carried out as at 31 December 2015, the company has agreed to make an annual contribution of £7,700 with effect from 1 January 2017 payable in equal monthly instalments for a period of three years, into the Special Pension Account held by The Leprosy Mission International.

A Group Personal Pension Scheme (GPP) has been set up with AVIVA (formerly Friends Life). Employers make a contribution of 10% (with the exception of deferred active members from TLM Central Pension scheme are paid a contribution rate of 11% for five years from the scheme closing date which ended on 31 March 2018) of the monthly pensionable salary to AVIVA (formerly Friends Life).

The company's pension cost for the year amounted to £25,025 (2017: £26,104).

FRS 102 requires an entity that has entered into an agreement to reduce the historic deficit on a multi-employer pension scheme, to recognise the liability in accordance with FRS 102 section 28.13 and 28.13A. The Company has a payment plan to reduce its share of the historical deficit on the defined benefit pension scheme. At 31 December 2018, this amounted to £48,000 (2017: £4,000). The remeasurement loss of £44,000 (2017: £nil) is shown in the Statement of Comprehensive Income.

The next actuarial valuation is due at 31 December 2018 and the results are expected by November 2019.



**TLM TRADING LIMITED**

Company Registered in England and Wales

Company Number: 3045864

**Schedule of catalogue and distribution costs and administrative expenses for the year ended 31 December 2018**

	2018 £	2017 £
<b>Marketing and Distribution costs</b>		
Pre press, catalogue printing and postage	223,642	232,465
Product development and planning costs	16,417	20,815
Fulfilment costs	240,156	210,051
Postage for outgoing orders	172,731	175,435
Website	35,000	-
	<u>687,946</u>	<u>638,766</u>
<b>Administrative expenses</b>		
Wages and salaries	191,169	178,958
Employer's NI contributions	18,010	16,733
Pension costs	25,025	26,104
Accountancy charges	38,235	26,000
Insurance	-	785
Office expenses (Incl Insurance)	14,826	11,818
Audit	7,100	6,700
Bank charges	23,204	15,903
Consultancy & Professional Advice	1,085	3,225
Staff recruitment and training	11,919	10,454
Depreciation:		
Office and computer equipment	503	502
	<u>331,076</u>	<u>297,182</u>

**TLM TRADING LIMITED**

Company Registered in England and Wales

Company Number: 3045864

**Detailed trading and profit and loss account for the year ended 31 December 2018**

	<b>2018</b>	<b>2017</b>
	£	£
Turnover	1,448,276	1,426,852
Cost of sales:		
Opening stock	(211,508)	(205,429)
Purchases	(477,930)	(544,592)
Closing stock	<u>168,734</u>	<u>211,508</u>
	<u>(520,704)</u>	<u>(538,513)</u>
<b>Gross profit</b>	<b>927,572</b>	<b>888,339</b>
Other Income	142,920	120,766
Marketing and Distribution costs	(687,946)	(638,766)
Administration expenses	<u>(331,076)</u>	<u>(297,182)</u>
	<u>(1,019,022)</u>	<u>(935,948)</u>
<b>Operating Profit</b>	<b>51,470</b>	<b>73,157</b>
Bank interest/ Royalties, Receivable	-	-
<b>Trading profit for the year</b>	<b>51,470</b>	<b>73,157</b>
Donation to The Leprosy Mission International	<u>-</u>	<u>-</u>
<b>Net profit before taxation</b>	<b>51,470</b>	<b>73,157</b>
Tax charge	<u>-</u>	<u>-</u>
<b>Profit for the financial year</b>	<b><u>51,470</u></b>	<b><u>73,157</u></b>