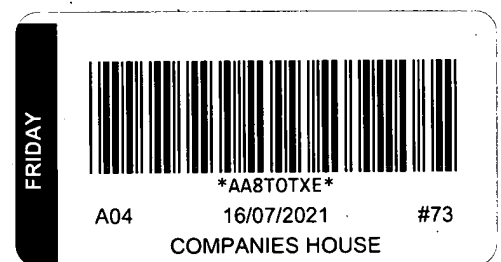


# **TLM Trading Limited**

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



**31 December 2020**

Company number: 3045864 (registered in England and Wales)

# **TLM TRADING LIMITED**

## **Financial statements for the year ended 31 December 2020**

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## **TLM TRADING LIMITED**

### **Officers and professional advisers**

#### **Board of Directors**

Alan D Gray

Amanda Norman

Christopher J Wickenden

Colin Osborne

Jo-Anne Thomson

Peter L Waddup

Stephen J Hammersley

Stuart J Green

(Appointed: 1 December 2020) Chief Executive Officer

Chair Person

(Resigned: 30 November 2020)

#### **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 LLP

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 2020**

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

What a year! We started the year confidently with a good record of steady growth behind us and with a committed and gifted staff team headed by Jo-Anne Thomson our chief executive. Then in February, COVID hit. I was anxious as we met as a board of directors to consider how we should meet this challenge. We were unsure how our customers would react and how our suppliers and staff would operate under the restrictions imposed by the government. As the months progressed, however, we found ourselves trading at significantly higher levels than in corresponding months in previous years. This trend continued and amply justified the investments we had made in previous years in researching our customers and in developing our online platform as customers switched to online purchasing. By the end of 2020, overall sales had increased by 24% over 2019. This, in turn, led to our pre-tax profit before donations to TLM's global work, increasing from £121k to £259k. We are thrilled that this financial performance has enabled us to make a donation of £50k to further the research work into the causes and treatment of leprosy whilst retaining sufficient funds to continue to invest in the development of the company. This donation is over and above the £538k raised in Gifts for Life and donations, compared to £452k in 2019.

We are grateful to all our staff for their skill and for the work that they have put in to help achieve these results, as well as to our customers, volunteers and suppliers. We are grateful to God for his faithfulness and blessing on our work during the year.

This 2020 year also saw our chief executive Jo-Anne Thomson decide to move on to a different but no-less-demanding role within The Leprosy Mission. Under Jo-Anne's leadership, the company grew significantly and traded ever more successfully. Over the last five years we have seen consistent year-on-year sales growth culminating in these excellent 2020 financial results. We are deeply grateful to Jo-Anne for all that she has brought to the company; for her vision, her commercial insights, her enthusiasm, her spirituality and commitment to the company and to helping those affected by leprosy. She leaves us in a much stronger place than where she found us.

Whilst saddened and not a little apprehensive at Jo-Anne's departure we were delighted, following a rigorous recruitment process, to welcome Amanda Norman as our new chief executive. Amanda joins us from a position at Cambridge University and has taken up the reins of leadership under unusual working conditions. We pray for Amanda as she leads us forward into the next phase of the company's story.

Finally, my thanks go to my colleagues on the board of directors, many of whom work voluntarily, who have faithfully, prayerfully and willingly continued to meet and share their experience, knowledge and commitment to God's work through The Leprosy Mission.

We move into 2021 confident in the plans that God has for us.



**Christopher J Wickenden**  
**Chair Person**

## **TLM TRADING LIMITED**

### **Directors' Report 2020**

The directors present their report and the financial statements of the company for the year ended 31 December 2020.

TLM Trading Limited is a subsidiary of The Leprosy Mission International (TLMi). TLMi is the leading and coordinating body for The Leprosy Mission Global Fellowship, a federation 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 for the financial year of £265,414 (2019: £72,792). Additionally, the company raised funds for The Leprosy Mission via donations and Gifts for Life totalling £538,249 (2019: £452,154); 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	
Amanda Norman	(Appointed: 01 December 2020) Chief Executive Officer
Christopher J Wickenden	Chairperson
Colin Osborne	
Jo-Anne Thomson	(Resigned: 30 November 2020)
Peter L Waddup	
Stephen J Hammersley	
Stuart J Green	

### **Future developments**

#### **Vision:**

Defeating leprosy, transforming lives

#### **Mission:**

To transform the lives of people affected by leprosy by being a profitable Christian trading company which raises awareness and funds for the Leprosy Mission.

#### **Goals:**

*Profit:* to make a profit, raising funds for the Leprosy Mission

*Profile:* to raise the profile and awareness of TLM

*Promotion:* to promote GFL and donations, raising money for TLM

*Products:* to source products that our customers want with a focus on goods made by disadvantaged groups (including people affected by leprosy), Fair-trade, ethically sourced and sustainable products

*People:* to have a focused, skilled and motivated team

## **TLM TRADING LIMITED**

### **Director's Report 2020**

#### **Future developments (Continued)**

Each goal has set of SMART objectives with a member of staff to champion that objective.

Examples of these objectives include:

- conducting a scoping exercise for an integrated CRM database to enable better and less time-consuming reporting and targeting of digital and direct mail to increase sales. The aim is to be able to implement this early in 2022;
- adding capacity for digital marketing to support the growth in web sales.
- reversing the trend of declining average order value in recent years. This will be achieved through reverting to a larger Autumn/Winter catalogue with a fresh new design and with tactics such as multi-buys and cross-sells
- benefitting fully from our partnership with Mosaic ensuring we have happy customers and are getting value for money.
- promoting Gifts for Life and donations effectively across digital and direct marketing campaigns. This will include keeping Gifts for Life fresh and improving feedback/thank yous to donors.
- reviewing job descriptions for all staff prior to a salary bench-marking exercise to ensure we keep current staff motivated and can attract the best possible candidates in the future.

#### **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.

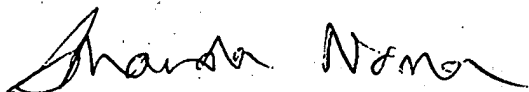
## **TLM TRADING LIMITED**

### **Directors' Report 2020**

#### **Auditors**

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

Signed by order of the board

A handwritten signature in black ink, appearing to read 'Amanda Norman', written in a cursive style.

**Amanda Norman**

**Chief Executive Officer**

**Approved by the directors on 25 March 2021**

## **TLM TRADING LIMITED**

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

---

#### **Opinion**

We have audited the financial statements of TLM Trading Limited (the 'company') for the year ended 31 December 2020 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 2020 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**

In auditing the financial statements, we have concluded that the director's 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 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

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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.

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:

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to company law applicable in England and Wales, 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 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 inappropriate journal entries to revenue and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions;
- Challenging assumptions and judgements made by management in their critical accounting estimates, in particular provisions for bad and/or doubtful debts and stock; and
- Reviewing the assumptions and judgements used by the professional actuary in relation to the Company's pension scheme.

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.

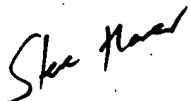
## TLM TRADING LIMITED

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

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#### 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.



Steven Harper (Senior Statutory Auditor)  
For and on behalf of Haysmacintyre LLP  
Statutory Auditors

10 Queen Street Place  
London  
EC4AR 1AG

27 April 2021

**TLM TRADING LIMITED**

Company Registered in England and Wales

Company Number: 3045864

**Profit and loss account for the year ended 31 December 2020**

	Notes	2020 £	2019 £
Turnover	2	1,996,314	1,609,993
Cost of Sales		(729,664)	(599,449)
Gross Profit		1,266,650	1,010,544
Other Income	3	190,167	177,103
Distribution costs		(812,673)	(767,517)
Administration expenses		(384,650)	(347,338)
Net Operating expenses		(1,197,323)	(1,114,855)
Operating Profit on ordinary activities before taxation	4	259,494	72,792
Tax charge on profit on ordinary activities		(5,574)	-
Profit for the financial year		253,920	72,792

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

The notes on pages 11 to 16 form part of these financial statements.

**Statement of Comprehensive Income for the year ended 31 December 2020**

	2020 £	2019 £
Profit for the financial year	253,920	72,792
Donation to parent charity	(50,000)	-
Remeasurement gain / (loss) on the defined benefit pension scheme	-	48,000
Total comprehensive income for the year	203,920	120,792

**TLM TRADING LIMITED**

Company Registered in England and Wales

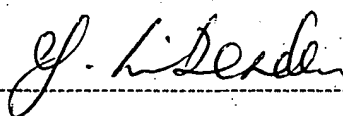
Company Number: 3045864

**Balance sheet at 31 December 2020**

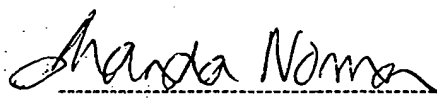
	Notes	£	2020 £	£	2019 £
<b>Fixed assets</b>					
Tangible assets	7		5,984		1,949
<b>Current assets</b>					
Stocks	8	166,000		219,830	
Debtors	9	58,323		109,272	
Cash at bank and in hand		795,733		375,821	
		<u>1,020,056</u>		<u>704,923</u>	
<b>Creditors: amounts falling due within one year</b>	10	<u>(349,169)</u>		<u>(233,921)</u>	
Net current Assets			670,887		471,002
<b>Creditors: amounts falling due after one year</b>	11		-		-
<b>Net Assets</b>			<u>676,871</u>		<u>472,951</u>
<b>Capital and reserves</b>					
Called up share capital	13		200,000		200,000
Profit and loss account	14		476,871		272,951
<b>Shareholders' funds</b>	15		<u>676,871</u>		<u>472,951</u>

The financial statements have been prepared in accordance with part 15 of the Companies Act in regards to small companies.

Approved and authorised for issue by the Board on 25 March 2021 and signed on its behalf.



Christopher J Wickenden,  
Chair Person



Amanda Norman,  
Director

The notes on pages 11 to 16 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 2020**

#### **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. 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 England and Wales. 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 donate an amount of profit to the parent charity under the Gift Aid scheme, subject to cash-flow availability.

##### **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 18.

##### **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 2020****i) Income from Advertisement space in Trading Catalogues**

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

**ii) Going concern**

The directors have assessed whether the use of the going concern assumption is appropriate in preparing these accounts. The directors have made this assessment in respect to a period of one year from the date of approval of these accounts. After reviewing the company's forecasts and projections, which are being regularly updated in light of the ongoing Covid-19 pandemic, the directors are of the opinion that the company will have sufficient resources to meet its liabilities as they fall due. The directors consider that there are no material uncertainties with respect to going concern and accordingly, the directors continue to adopt the going concern basis in preparing these 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**

	2020 £	2019 £
Grant for Promoting Artisan development	35,000	35,000
Interest Received/Miscellaneous Income	8,980	16,565
Income from the advertisement space provided in catalogues for Gifts for Life and Donations	134,562	113,036
New Donors Recruitment	9,120	6,400
Voluntary Income from Retail and Trade customers	2,505	6,102
	<u>190,167</u>	<u>177,103</u>

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

	2020 £	2019 £
This is stated after charging:		
Depreciation - office and computer equipment	3,479	1,154
Auditor's remuneration	8,000	7,600

**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 2020, TLM Trading Ltd considers its key management personnel comprises the Chief Executive officer.

The total Chief Executive Officer's remuneration was £51,332 (2019: £50,887) and pension contribution was £5,133 (2019: £5,089). No other Directors received remuneration.

**TLM TRADING LIMITED**

Company Registered in England and Wales

Company Number: 3045864

**Notes to the financial statements for the year ended 31 December 2020****5. Remuneration of Key Management Personnel (continued)**

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

**6. Employee information**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
a) Staff Costs:		
Wages and Salaries	210,207	196,565
Social Security Costs	20,411	18,559
Pension Costs	25,941	27,357
	<u>256,559</u>	<u>242,481</u>

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

	<b>2020</b>	<b>2019</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 2020	50,738
Additions	10,437
Disposals	-
At 31 December 2020	<u>61,176</u>
<b>Depreciation</b>	
At 1 January 2020	51,713
Disposals	-
Provision for year	3,479
At 31 December 2020	<u>55,192</u>
<b>Net book value</b>	
At 31 December 2020	<u>5,984</u>
At 31 December 2019	<u>1,949</u>

**TLM TRADING LIMITED**

Company Registered in England and Wales

Company Number: 3045864

**Notes to the financial statements for the year ended 31 December 2020****8. Stocks**

	2020 £	2019 £
Goods for resale at the lower of cost and net realisable value	166,000	219,830

**9. Debtors**

	2020 £	2019 £
Trade Debtors	23,358	51,028
Other Debtors*	34,965	58,244
	58,323	109,272

\* Other Debtors include £33,577, (2019: £45,265) owed by the parent company (See note 17);  
The decrease in debtors is due to reduction in funds owed by the parent company and Trade customers

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

	2020 £	2019 £
Trade creditors	123,362	95,864
Other taxes and social security costs	58,939	29,281
Other creditors	129,181	100,361
Accruals	37,687	8,415
	349,169	233,921

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

	2020 £	2019 £
Multi employer pension scheme liability	NIL	NIL

The Multi-employer pension scheme liability is an amount recognised for 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. There was no deficit repayment plan in place from 1 January 2020 and therefore there is no creditor at 31 December 2020.



**TLM TRADING LIMITED**

Company Registered in England and Wales

Company Number: 3045864

**Notes to the financial statements for the year ended 31 December 2020****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 2020 no amounts were outstanding on this loan facility (2019: £nil).

**13. Called up share capital**

	2020		2019	
	£	£	£	£
	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	
	2020	2019
	£	£
At 1 January	272,951	152,159
Total comprehensive income for the year	203,920	120,792
At 31 December	476,871	272,951

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

	2020	2019
	£	£
Opening shareholders' funds	472,951	352,159
Total comprehensive income for the year	203,920	120,792
Closing shareholders' funds	676,871	472,951

**16. Related party transactions**

The company is a wholly owned subsidiary of The Leprosy Mission International, whose financial statements are publicly available.

## **TLM TRADING LIMITED**

Company Registered In England and Wales

Company Number: 3045864

### **Notes to the financial statements for the year ended 31 December 2020**

#### **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 2020, an amount of £33,577 (2019: £45,265) 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 for which a fee of £12,000 (2019: £12,000) was charged to the Administration expenses. TLMi also made a grant of £35,000 for 2020, 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 used to operate 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 individual accounts of each of the participating employers need to reflect the obligation they have to the Scheme. The Scheme cannot identify each employer's share of the total Scheme assets. Therefore, it is not possible to use defined benefit accounting for an individual company. Accordingly, the scheme is accounted for as if it is a defined contribution scheme.

The last actuarial valuation was made as at 31 December 2018 using the projected unit valuation method and the market value of the assets represented 100% of the market value of the liabilities. After taking into account the results of the triennial valuation carried out as at 31 December 2018, the company has agreed to make an annual contribution of £7,700 to cover the administrative expenses of the Scheme. This amount is payable with effect from 1 January 2020 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% of the monthly pensionable salary to AVIVA.

The company's pension cost for the year amounted to £25,941 (2019: £27,357).

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 last valuation of the Scheme was carried out with an effective date of 31 December 2018. This valuation revealed the Scheme was in surplus on the agreed Statutory Funding Objective basis agreed between the employers and the pension Scheme trustees. As a result, no Recovery Plan was required. Therefore, the FRS102 liability as at 31 December 2020 is Nil (2019: Nil) is shown in the Statement of Comprehensive Income.

The next actuarial valuation is due at 31 December 2021 and the results are expected by November 2022.

**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 2020**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Marketing and Distribution costs</b>		
Pre press, catalogue printing and postage	198,984	250,706
Product development and planning costs	16,628	29,764
Fulfilment costs	308,266	254,954
Postage for outgoing orders	242,466	177,383
Research & Data	-	19,970
Website	46,329	34,740
	<b>812,673</b>	<b>767,517</b>
<b>Administrative expenses</b>		
Wages and salaries	210,207	196,565
Employer's NI contributions	20,411	18,559
Pension costs	25,941	27,357
Accountancy charges	38,553	37,939
Bad Debt write off	5,920	-
Office Premises (rent)	15,000	-
Office expenses (Incl Insurance)	13,708	12,360
Audit	8,000	7,600
Bank charges	31,549	28,983
Consultancy & Professional Advice	1,435	2,305
Staff recruitment and training	10,447	14,516
Depreciation:		
Office and computer equipment	3,479	1,154
	<b>384,650</b>	<b>347,338</b>

**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 2020**

	<b>2020</b>	<b>2019</b>
	£	£
Turnover	1,996,314	1,609,993
Cost of sales:		
Opening stock	(219,830)	(168,734)
Purchases	(675,834)	(650,545)
Closing stock	<u>166,000</u>	<u>219,830</u>
	<u>(729,664)</u>	<u>(599,449)</u>
<b>Gross profit</b>	<b>1,266,650</b>	<b>1,010,544</b>
Other Income	190,167	177,103
Marketing and Distribution costs	(812,673)	(767,517)
Administration expenses	<u>(384,650)</u>	<u>(347,338)</u>
	<u>(1,197,323)</u>	<u>(1,114,855)</u>
<b>Operating Profit</b>	<b>259,494</b>	<b>72,792</b>
<b>Trading profit for the year</b>	<b>259,494</b>	<b>72,792</b>
<b>Net profit before taxation</b>	<b>259,494</b>	<b>72,792</b>
<b>Donation to parent charity</b>	<b>(50,000)</b>	
Tax charge	<u>(5,574)</u>	<u>-</u>
<b>Profit for the financial year</b>	<b>203,920</b>	<b>72,792</b>