

**The NHS Confederation Trading
Company Limited**

Report and Financial Statements

Year Ended

31 January 2004



BDO
BDO Stoy Hayward LLP
Chartered Accountants

THE NHS CONFEDERATION TRADING COMPANY LIMITED

Annual report and financial statements for the year ended 31 January 2004

Contents

Directors

Page:

1	Report of the directors
3	Report of the independent auditors
4	Profit and loss account
5	Balance sheet
6 - 8	Notes forming part of the financial statements

Directors

Richard Higgins
Trevor Campbell Davis
Steven Clarke
Nigel Edwards
Helen Bradburn

Secretary and registered office

Kim Beazor
1 Warwick Row, London, SW1E 5ER

Company number

3261443

Auditors

BDO Stoy Hayward LLP, Emerald House, East Street, Epsom, Surrey, KT17 1HS.

THE NHS CONFEDERATION TRADING COMPANY LIMITED

Report of the directors for the year ended 31 January 2004

The directors present their report together with the audited financial statements for the year ended 31 January 2004.

Results

The profit and loss account is set out on page 4 and shows the result for the year.

Principal activities

The principal activities of the company are to deal with all commercial activities, including publications and conferences for the NHS Confederation, a registered charity.

Charitable contributions

During the year the company made charitable contributions of £911,284 (2003: £674,953).

Directors

The directors of the company during the year were:

Richard Higgins
Steven Clarke
Nigel Edwards
Helen Bradburn
Trevor Campbell Davis

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

Richard Higgins, Steven Clarke and Trevor Campbell Davis are also trustees of the ultimate parent charity, The NHS Confederation.

Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which 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 those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- 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 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.

THE NHS CONFEDERATION TRADING COMPANY LIMITED

Report of the directors for the year ended 31 January 20043 (*Continued*)

Auditors

BDO Stoy Hayward LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

On December 31, BDO Stoy Hayward, the charitable company's auditors, transferred its business to BDO Stoy Hayward LLP, a limited liability partnership incorporated under the Limited Liability Partnership Act 2000. Accordingly BDO Stoy Hayward resigned as auditors on that date and the Directors appointed BDO Stoy Hayward LLP as its successor.

This report of the directors has been prepared in accordance with the special provisions of Part VII of the Companies Act relating to small companies.

By order of the Board



K Beazor
Secretary

Date:

THE NHS CONFEDERATION TRADING COMPANY LIMITED

Report of the independent auditors

To the shareholders of The NHS Confederation Trading Company Limited

We have audited the financial statements of The NHS Confederation Trading Company Limited for the year ended 31 January 2004 on pages 4 to 8 which have been prepared under the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Report of the Directors.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

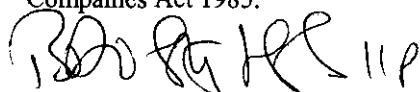
Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 judgements 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 January 2004 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



BDO STOY HAYWARD LLP
Chartered Accountants
and Registered Auditors
Epsom, Surrey

Date 20 April 2004

THE NHS CONFEDERATION TRADING COMPANY LIMITED

Profit and loss account for the year ended 31 January 2004

	Note	2004 £	2003 £
Turnover	2	2,001,781	1,823,333
Cost of sales		779,369	640,697
		<hr/>	<hr/>
Gross profit		1,222,412	1,182,636
Administrative expenses		328,844	532,623
		<hr/>	<hr/>
Operating profit	4	893,568	650,013
Investment income		17,716	24,940
		<hr/>	<hr/>
		911,284	674,953
Gift Aid/Deed of Covenant payable NHS Confederation		911,284	674,953
		<hr/>	<hr/>
Retained profit for the year		-	-
		<hr/>	<hr/>

All amounts relate to continuing activities.

There were no recognised gains or losses other than the profit for the year.

The notes on pages 6 to 8 form part of these financial statements.

THE NHS CONFEDERATION TRADING COMPANY LIMITED

Balance sheet at 31 January 2004

	Note	2004	2003
		£	£
Current assets			
Stocks		9,884	10,103
Debtors	5	456,235	443,455
Cash at bank and in hand		853,965	528,496
		<u>1,320,084</u>	<u>982,054</u>
Creditors: amounts falling due within one year	6	1,319,984	981,954
		<u>100</u>	<u>100</u>
Net current assets			
		<u>100</u>	<u>100</u>
Total assets less current liabilities			
		<u>100</u>	<u>100</u>
Capital and reserves			
Called up share capital	7	100	100
		<u>100</u>	<u>100</u>
Equity shareholders' funds			
		<u>100</u>	<u>100</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements were approved by the Board on 29th April 2004.



N Edwards
Director

The notes on pages 6 to 8 form part of these financial statements.

THE NHS CONFEDERATION TRADING COMPANY LIMITED

Notes forming part of the financial statements for the year ended 31 January 2004

1 Accounting policies

The financial statements have been prepared under the historical cost convention. The following principal accounting policies have been applied:

Turnover

Turnover represents sales to outside customers at invoiced amounts less value added tax.

Deferred Income

Event income received in advance is accounted for as deferred income.

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is based on the cost of purchase on a first in, first out basis. Net realisable value is based on estimated selling price less additional costs to completion and disposal.

Leased assets

Where assets are financed by leasing agreements that give rights approximating to ownership ('finance leases'), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the profit and loss account.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

2 Turnover

Turnover is wholly attributable to the principal activity of the company and arises solely within the United Kingdom.

3 Directors

None of the directors received any remuneration from the company during the year.

4 Operating profit

	2004 £	2003 £
This has been arrived at after charging:		
Land and buildings - operating leases	30,000	180,000

THE NHS CONFEDERATION TRADING COMPANY LIMITED

Notes forming part of the financial statements for the year ended 31 January 2004 (*Continued*)

5 Debtors

	2004 £	2003 £
Trade debtors	249,346	345,433
Other debtors	206,890	98,022
	<u>456,236</u>	<u>443,455</u>

All amounts shown under debtors fall due for payment within one year.

6 Creditors: amounts falling due within one year

	2004 £	2003 £
Trade creditors	68,828	321
Other creditors	101,345	306,680
Amounts owed to parent undertaking	1,096,371	674,953
	<u>1,319,984</u>	<u>981,954</u>

7 Share capital

	2004 Number	Authorised 2003 Number	2004 £	2003 £
Ordinary shares of £1 each	10,000	10,000	10,000	10,000
	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>
	2004 Number	Allotted, called up and fully paid 2003 Number	2004 £	2003 £
Ordinary shares of £1 each	100	100	100	100
	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

THE NHS CONFEDERATION TRADING COMPANY LIMITED

Notes forming part of the financial statements for the year ended 31 January 2004 (*Continued*)

8 Commitments under operating leases

As at 31 January 2003, the company had annual commitments under non-cancellable operating leases as set out below:

	2004 Land and buildings £	2003 Land and buildings £
Operating leases which expire:		
Over five years	-	180,000
	<hr/>	<hr/>
	-	180,000
	<hr/>	<hr/>

9 Cash flow statement

The company has used the exemption under Financial Reporting Standard 1, "Cash Flow Statements", not to prepare a cash flow statement as the directors believe the company is "small" under the Companies Act 1985.

10 Ultimate parent entity

At 31 January 2004, the company's ultimate parent entity was The NHS Confederation, a registered charity which is the parent of both the smallest and largest groups of which the company is a member.

Copies of the consolidated financial statements of The NHS Confederation are available from their registered office at 1 Warwick Row, London, SW1E 5ER.

THE NHS CONFEDERATION TRADING COMPANY LIMITED

The page which follows does not
form part of the statutory
financial statements of the company

THE NHS CONFEDERATION TRADING COMPANY LIMITED

Detailed profit and loss account for the year ended 31 January 2004

	2004 £	2004 £	2003 £	2003 £
Turnover		2,001,781		1,823,333
Cost of Sales				
Conferences and events	739,493		551,724	
Publications	39,398		87,600	
Press Monitoring , research and mailing	478		1,373	
		779,369	640,697	
Gross Margin		1,222,412		1,182,636
Administrative Expenses				
Telephone	0		8,156	
Rent and Rates	30,000		186,010	
Service Charge	0		40,250	
Utilities	4,420		4,442	
Postage, printing and stationery	2,249		(4,503)	
Salaries	235,037		230,237	
Employers NIC	25,303		23,327	
Pensions	22,780		17,123	
Travel and Subsistence	2,052		4,362	
Legal Fees	15		15	
Bank and Credit card Charges	7,575		1,599	
Sundry Expenses	(586)		5,756	
Bad Debts	0		15,849	
		328,844	532,623	
		893,568	650,013	
Investment Income		17,716		24,940
Net profit for the year		911,284		674,953