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Company registration number 5278020
Charity registration number 1126451

Business Trading Ethically

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 December 2009

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Business Trading Ethically

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Business Trading Ethically
Reference and Administrative Details

Charity name	Business Trading Ethically
Charity registration number	1126451
Company registration number	5278020
Trustees	Ms Katherine M Kenrick (Resigned 16 February 2009) Dr Alan P Knight (Appointed 1 March 2009) Mr Scott A Poynton Ms Louise C Thompson
Secretaries	LEL Management Services Limited (Resigned 17 November 2009) Trethowans Services Limited (Appointed 17 November 2009)
Principal office	The Director General House 15 Rockstone Place Southampton Hampshire SO15 2EP
Registered office	The Director General House 15 Rockstone Place Southampton Hampshire SO15 2EP
Accountant	CW Fellowes Limited Carnac Place Cams Hall Estate Fareham Hampshire PO16 8UY
Bankers	The Co-operative Bank plc PO Box 250 Skelmersdale WN8 6WT

Business Trading Ethically

Trustees' Report

The Trustees present their report and accounts for the year ended 31 December 2009

Structure, governance and management

The trustees who served during the year were

Ms Katherine M Kenrick (Resigned 16 February 2009)

Dr Alan P Knight (Appointed 2 March 2009)

Mr Scott A Poynton

Ms Louise C Thompson

Business Trading Ethically is a company limited by guarantee, constituted by the Memorandum and Articles of Association. It is a registered charity, number 1126451. The day to day running of the charity is managed by Mrs Hilary Thompson.

Risk assessments

The Trustees have assessed the major risks to which the charity is exposed and are satisfied that systems are in place to mitigate exposure to the major risks.

Objectives and activities

Business Trading Ethically is a registered charity established to promote high ethical standards of conduct and compliance with the law in business and professions in particular but not exclusively in the United Kingdom, India, China and Africa in the administration and management of businesses and commercial practises and protection of the natural environment.

Achievements and performance

The charity has been able to continue with its objectives, providing advice to businesses on how to operate with high regard for the ethical standards of conduct and compliance within the laws of their profession.

Financial review

The results for the period and financial position of the company are as shown in the financial statements which, in the opinion of the Trustees, show a reasonable result with an end of year fund of £16,457 (2008 26384).

The results for the year show an overall deficit of £9,926 (6 months to 31/12/2008 deficit of £1,952).

The Trustees are pleased to report that the company remains free of any loans.

Reserves policy

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level sufficient that any sudden drop in funding would not stop the charity continuing in its activities.

The actual sum to be retained in the fund cannot be quantified due to the Trustees' inability to estimate the level of future activities.

Small company provisions

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

Business Trading Ethically
Trustees' Report

Approved by the Board and signed on its behalf by

A handwritten signature in black ink, appearing to be 'LCT', written over a horizontal line.

Ms Louise C Thompson
Trustee

Date 27/7/10

Independent Examiner's Report to the Trustees of Business Trading Ethically

I report on the accounts of the company for the year ended 31 December 2009, which are set out on pages 5 to 14

Respective responsibilities of trustees and examiner

The trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 43(2) of the Charities Act 1993 (the 1993 Act) and that an independent examination is needed.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to

- examine the accounts under section 43 of the 1993 Act,
- follow the procedures laid down in the General Directions given by the Charity Commission under section 43(7)(b) of the 1993 Act, and
- state whether particular matters have come to my attention

Basis of independent examiner's report

My examination was carried out in accordance with the General Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention

- (1) which gives me reasonable cause to believe that in any material respect the requirements
 - to keep accounting records in accordance with section 386 of the Companies Act 2006, and
 - to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charitieshave not been met, or
- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached

**Independent Examiner's Report to the Trustees of
Business Trading Ethically**

continued



Peter Blades FCA
CW Fellowes Limited
Chartered Accountants

Date *17th August 2010*

Carnac Place
Cams Hall Estate
Fareham
Hampshire
PO16 8UY

Business Trading Ethically

Statement of financial activities (including income and expenditure account) for the Year Ended 31 December 2009

		Unrestricted Funds	Total Funds Year ended 31 December 2009	Total Funds 6 months ended 31 December 2008
	Note	£	£	£
Incoming resources				
Voluntary income	2	6,647	6,647	-
Consultancy sales	3	31,882	31,882	30,614
Investment income	4	39	39	106
Online filing incentive		75	75	-
Governance		-	-	746
Total incoming resources		<u>38,643</u>	<u>38,643</u>	<u>31,466</u>
Resources expended				
Costs of generating funds				
Consultancy costs	5	4,969	4,969	-
Governance costs	5	43,600	43,600	33,418
Total resources expended		<u>48,569</u>	<u>48,569</u>	<u>33,418</u>
Net movements in funds		(9,926)	(9,926)	(1,952)
Reconciliation of funds				
Total funds brought forward		<u>26,384</u>	<u>26,384</u>	<u>28,336</u>
Total funds carried forward		<u>16,458</u>	<u>16,458</u>	<u>26,384</u>

The notes on pages 8 to 14 form an integral part of these financial statements

Business Trading Ethically
Balance Sheet as at 31 December 2009

	Note	31 December 2009		31 December 2008	
		£	£	£	£
Fixed assets					
Tangible assets	9		966		1,862
Current assets					
Debtors	10	11,145		15,238	
Cash at bank and in hand		<u>13,756</u>		<u>22,031</u>	
		24,901		37,269	
Creditors: Amounts falling due within one year	11	<u>(6,076)</u>		<u>(6,080)</u>	
Net current assets			<u>18,825</u>		<u>31,189</u>
Total assets less current liabilities			19,791		33,051
Creditors: Amounts falling due after more than one year	12		<u>(3,334)</u>		<u>(6,667)</u>
Net assets			<u>16,457</u>		<u>26,384</u>
The funds of the charity:					
Unrestricted funds					
Unrestricted income funds			<u>16,457</u>		<u>26,384</u>
Total charity funds			<u>16,457</u>		<u>26,384</u>

The notes on pages 8 to 14 form an integral part of these financial statements

Business Trading Ethically
Balance Sheet as at 31 December 2009

continued

For the financial year ended 31 December 2009, the charity was entitled to exemption from audit under section 477(1) of the Companies Act 2006, and no notice has been deposited under section 476(1) requesting an audit. The directors acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and preparing accounts which give a true and fair view of the state of affairs of the charity as at the end of the year and of its income and expenditure for the financial year in accordance with the requirements of section 394 and which otherwise comply with the Companies Act 2006, so far as applicable to the charity.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime under the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

Approved by the Board on 27/7/10 and signed on its behalf by



Ms Louise C Thompson
Trustee

Company registration number 5278020

The notes on pages 8 to 14 form an integral part of these financial statements

Business Trading Ethically

Notes to the Financial Statements for the Year Ended 31 December 2009

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice 'Accounting and Reporting by Charities (SORP 2005)', issued in March 2005, the Financial Reporting Standard for Smaller Entities (effective April 2008) and the Companies Act 2006

Fund accounting policy

Unrestricted income funds are general funds that are available for use at the trustees' discretion in furtherance of the objectives of the charity

Incoming resources

Donations are recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability

Deferred income represents amounts received for future periods and is released to incoming resources in the period for which, it has been received. Such income is only deferred when

- The donor specifies that the donation must only be used in future accounting periods, or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement

Incoming resources from tax reclaims are included in the statement of financial activities at the same time as the gift to which they relate

Investment income is recognised on a receivable basis

Resources expended

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category

Governance costs

Governance costs include costs of the preparation and examination of the statutory accounts, the costs of trustee meetings and the cost of any legal advice to trustees on governance or constitutional matters

Depreciation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows

Fixtures, fittings and equipment	25% straight line basis
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Foreign currencies

Transactions in foreign currencies are translated into sterling at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the closing rates at the balance sheet date and the exchange differences are included in the statement of financial activities

Business Trading Ethically

Notes to the Financial Statements for the Year Ended 31 December 2009

Operating leases

Rentals payable under operating leases are charged in the statement of financial activities on a straight line basis over the lease term

Pensions

The charity operates a defined contribution pension scheme. Contributions are charged in the statement of financial activities as they become payable in accordance with the rules of the scheme.

Business Trading Ethically

Notes to the Financial Statements for the Year Ended 31 December 2009

2 Voluntary income

	Unrestricted Funds £	Total Funds Year ended 31 December 2009 £	Total Funds 6 months ended 31 December 2008 £
Donations and legacies			
Gift Aid tax reclaimed	3,314	3,314	-
Grants			
Grants receivable	3,333	3,333	-
	<u>6,647</u>	<u>6,647</u>	<u>-</u>

3 Consultancy sales

	Unrestricted Funds £	Total Funds Year ended 31 December 2009 £	Total Funds 6 months ended 31 December 2008 £
Consultancy			
Consultancy - UK	22,784	22,784	24,889
Consultancy - Europe	2,617	2,617	620
Consultancy - Rest of world	6,481	6,481	5,105
	<u>31,882</u>	<u>31,882</u>	<u>30,614</u>

4 Investment income

	Unrestricted Funds £	Total Funds Year ended 31 December 2009 £	Total Funds 6 months ended 31 December 2008 £
Interest on cash deposits	39	39	106

Business Trading Ethically

Notes to the Financial Statements for the Year Ended 31 December 2009

5 Total resources expended

	Consultancy	Governance	Total	2008
	£	£	£	£
Direct costs				
Purchases	4,969	-	4,969	-
Employment costs	-	22,286	22,286	19,986
Rent	-	1,100	1,100	118
Insurance	-	119	119	18
Repairs and maintenance	-	8	8	27
Telephone and fax	-	1,668	1,668	2,315
Computer software and maintenance costs	-	1,579	1,579	-
Printing, postage and stationery	-	1,419	1,419	1,002
Trade subscriptions	-	(295)	(295)	295
Hire of other assets	-	1,361	1,361	-
Sundry expenses	-	163	163	16
Cleaning	-	3	3	3
Management charges payable	-	-	-	529
Car hire	-	82	82	-
Travel and subsistence	-	5,508	5,508	5,450
Hotel accommodation	-	1,223	1,223	-
Accountancy fees	-	1,265	1,265	1,225
The audit of the charity's annual accounts	-	1,000	1,000	-
Consultancy fees	-	306	306	1,289
Legal and professional fees	-	2,251	2,251	440
Bad debts written off	-	620	620	-
Bank charges	-	62	62	62
Foreign currency (gains)/losses	-	817	817	-
Depreciation of fixtures and fittings	-	1,055	1,055	643
	<u>4,969</u>	<u>43,600</u>	<u>48,569</u>	<u>33,418</u>

Some of the governance costs shown above related to charitable activities and should be split, but no proportion is made for this year

6 Net expenditure

Net expenditure is stated after charging/(crediting)

	Year ended 31 December 2009 £	6 months ended 31 December 2008 £
Auditors' remuneration - audit services	1,000	-
Foreign currency losses/(gains)	817	(746)
Depreciation of tangible fixed assets	<u>1,055</u>	<u>643</u>

Business Trading Ethically

Notes to the Financial Statements for the Year Ended 31 December 2009

7 Employees' remuneration

The average number of persons employed by the charity (including trustees) during the year, analysed by category, was as follows

	Year ended 31 December 2009 No	6 months ended 31 December 2008 No.
Charitable activities	2	2
Governance	1	-
	<u>3</u>	<u>2</u>

The aggregate payroll costs of these persons were as follows

	Year ended 31 December 2009 £	6 months ended 31 December 2008 £
Wages and salaries	22,096	17,381
Social security	190	805
Other pension costs	-	1,800
	<u>22,286</u>	<u>19,986</u>

No employee received emoluments of more than £60,000 during the year (2008 - No 0)

8 Taxation

The company is a registered charity and is, therefore, exempt from taxation

Business Trading Ethically

Notes to the Financial Statements for the Year Ended 31 December 2009

9 Tangible fixed assets

	Fixtures, fittings and equipment £
Cost	
As at 1 January 2009	5,146
Additions	159
As at 31 December 2009	<u>5,305</u>
Depreciation	
As at 1 January 2009	3,284
Charge for the year	1,055
As at 31 December 2009	<u>4,339</u>
Net book value	
As at 31 December 2009	<u>966</u>
As at 31 December 2008	<u>1,862</u>

10 Debtors

	31 December 2009 £	31 December 2008 £
Trade debtors	11,139	15,238
Other debtors	6	-
	<u>11,145</u>	<u>15,238</u>

11 Creditors: Amounts falling due within one year

	31 December 2009 £	31 December 2008 £
Trade creditors	503	997
Taxation and social security	892	470
Other creditors	148	64
Corporation tax	-	616
Accruals and deferred income	4,533	3,933
	<u>6,076</u>	<u>6,080</u>

Business Trading Ethically

Notes to the Financial Statements for the Year Ended 31 December 2009

12 Creditors: Amounts falling due after more than one year

	31 December 2009 £	31 December 2008 £
Other creditors	<u>3,334</u>	<u>6,667</u>

13 Members' liability

The charity is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

14 Pension scheme

Defined contribution pension scheme

The charity operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the charity to the scheme and amounted to £nil (31 December 2008 - £1,800).

There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

15 Analysis of funds

	At 1 January 2009 £	Incoming resources £	Resources expended £	At 31 December 2009 £
General Funds				
Unrestricted income fund	<u>26,383</u>	<u>38,643</u>	<u>(48,569)</u>	<u>16,457</u>

16 Post balance sheet event

It was decided after the year end that the charity will merge with another large charity based in the South.