

Company No 5423292

**MUSEUM OF LONDON  
(TRADING) LIMITED**

**Annual Report and Financial Statements  
for the year ended 31 March 2011**

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**MUSEUM OF LONDON (TRADING) LIMITED**  
Financial Statements for the year ended 31 March 2011

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## **MUSEUM OF LONDON (TRADING) LIMITED**

### **Directors, Professional Advisors and Administrative Details**

#### **Board of Directors**

The following served throughout the year

Mr David Spence

Ms Elizabeth James

Ms Francesca Mahoney

#### **Company Secretary**

Francesca Mahoney

#### **Professional Advisers:**

##### **Independent Auditors**

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

7 More London Riverside

London

SE1 2RT

##### **Legal Advisor**

Farrer & Co

66 Lincoln's Inn Fields

London

WC2A 3LH

##### **Bankers**

Chamberlain of London, Guildhall, London, EC2P 2EJ

Lloyds TSB, 25 Gresham Street, London EC2V 7HN

## **MUSEUM OF LONDON (TRADING) LIMITED**

### **Directors, Professional Advisors and Administrative Details**

#### **The registered office of the parent undertaking**

Museum of London  
150 London Wall  
London EC2Y 5HN  
Group consolidated accounts may be obtained from this address

#### **Other information**

Company registered in England, number 5423292  
VAT registration number GB 927 5794 75

## **MUSEUM OF LONDON (TRADING) LIMITED**

### **Directors Report for the year ended 31 March 2011**

The directors present their report and the audited financial statements of the company for the year ended 31 March 2011. The legal and administrative details on page 1 form part of this report.

This report has been prepared in accordance with the special provisions relating to small companies within part 15 of the Companies Act 2006.

#### **Incorporation and status**

The Museum of London (Trading) was incorporated on 13 April 2005 as a company limited by shares. The Governing Document is the Memorandum and Articles of Association of the company. The company is a fully owned subsidiary of the Museum of London. The Museum of London was established by the 1965 Museum of London Act and is a registered charity number 1139250.

The Directors are set out on page 1. At each annual general meeting one third of Directors, starting with the longest serving, retire. Retiring Directors may stand for re-election.

No directors held any shares in the company at 31 March 2011.

The legal and administrative details on page 1 and 2 form part of this report.

#### **Principal Activities**

The principal activities of the Museum of London (Trading) Ltd are retailing (three gift shops managed by the Museum), and commissions earned from the provision of corporate hire and catering services.

#### **Results for the Year**

Turnover was £1,748k (2010 £1,143k) which, after deduction of cost of sales of £1,494k (2010 £940k), resulted in a gross profit of £254k (2010 £203k). Interest receivable in the year was £1k (2010 £0.3k) which, after deduction of administrative expenses, resulted in a net profit of £31k (2010 £16k).

The company has agreed to pay the whole of its taxable profits to its parent organisation, the Museum of London, under gift aid arrangements every year.

#### **Plans For Future Periods**

The Directors believe that the company will continue to trade profitably.

#### **Financial Risk Management**

The Directors have reviewed the major risks that the company is exposed to. These comprise a downturn in the market for commercial hire and a financial risk relating to the recovery of debts. Performance against budget is monitored on a regular basis, as are outstanding debts. Licensing fees payable for the occupation of space are linked to levels of business activity.

The company is not unduly exposed to price, credit, liquidity or foreign exchange risk.

#### **Disclosure of Information to Auditors**

The Directors confirm that far as they are aware there is no relevant audit information that has not been brought to the attention of the company's auditors, and that they 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.

# MUSEUM OF LONDON (TRADING) LIMITED

## Directors Report for the year ended 31 March 2011

### Statement of Directors' Responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 these financial statements, the directors are required to

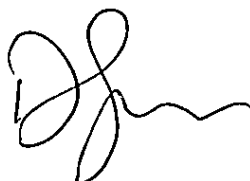
- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and 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.

### Independent Auditors

The auditors, PricewaterhouseCoopers LLP have indicated their willingness to continue in office and a resolution concerning their reappointment will be placed before the Annual General Meeting.

### By Order of the Board of Directors



David Spence – Chairman

416 2011

## **MUSEUM OF LONDON (TRADING) LIMITED**

### **Independent auditors' report to the members of the Museum of London (Trading) Limited**

We have audited the financial statements of Museum of London (Trading) Limited for the year ended 31 March 2011 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

#### **Respective responsibilities of directors and auditors**

As explained more fully in the Statement of Directors' Responsibilities the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2011 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

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## **MUSEUM OF LONDON (TRADING) LIMITED**

### **Independent auditors' report to the members of the Museum of London (Trading) Limited**

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

We have nothing to report in respect of the following matters where 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
- the directors were not entitled to take advantage of the small companies' exemption in preparing the Directors' Report

*Kevin Lowe*

**Kevin Lowe (Senior Statutory Auditor)**  
For and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London

*7 October 2011*



# MUSEUM OF LONDON (TRADING) LIMITED

## Profit and Loss Account for the year ended 31 March 2011

	Notes	2011 Total £'000	2010 Total £'000
Turnover	2	1,748	1,143
Cost of sales	3	<u>(1,494)</u>	<u>(940)</u>
<b>Gross profit</b>		<b>254</b>	<b>203</b>
Administrative expenses	4	<u>(224)</u>	<u>(187)</u>
<b>Operating profit</b>		<b>30</b>	<b>16</b>
Other interest receivable and similar income	6	1	-
Transfer of profit to parent company under gift aid		<u>(31)</u>	<u>(16)</u>
<b>Profit on ordinary activities before taxation</b>		<b>-</b>	<b>-</b>
Tax on profit on ordinary activities	11	<u>-</u>	<u>-</u>
<b>Retained profit for the financial year</b>		<b>-</b>	<b>-</b>

There are no other gains or losses other than those recognized above and therefore no separate statement of total gains and losses has been prepared. All activities derive from continuing operations.

The notes on pages 9-11 form part of these Financial Statements.

**MUSEUM OF LONDON (TRADING) LIMITED**  
Balance sheet as at 31 March 2011

	Notes	2011 £'000	2010 £'000
<b>Current assets</b>			
Stock		353	245
Debtors	7	193	115
Cash at bank and in hand		<u>1,289</u>	<u>225</u>
		1,835	585
<b>Creditors</b> Amounts falling due within one year	8	(1,835)	(585)
<b>Net current assets</b>		<u>-</u>	<u>-</u>
<b>Total assets less current liabilities</b>		<u>-</u>	<u>-</u>
<b>Net assets</b>		<u>-</u>	<u>-</u>
<b>Capital and Reserves</b>			
Called up share capital	9	-	-
Profit and loss account	10	<u>-</u>	<u>-</u>
<b>Shareholders Funds</b>		<u>-</u>	<u>-</u>

The notes on page 9 to 11 form part of these financial statements

The financial statements on pages 7 to 11 were approved by the Board of Directors on

4 - 10 - 2011

Signed on behalf of the Board by



David Spence – Chairman of the Board

2011

# MUSEUM OF LONDON (TRADING) LIMITED

## Notes to the Financial Statements for the year to 31 March 2011

### 1. Accounting policies

#### a) Basis of accounting

The financial statements have been prepared on the going concern basis under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year are set out below.

#### b) Income

All income is accounted for on a receivable basis and arises from venue hire, catering activities and the retail activities of the Museum gift shops. The Museum contracts out its catering to reputable established catering and hospitality organisations which pay rents and/or commissions to the Museum. All of the turnover is attributable to related undertakings inside the United Kingdom.

#### c) Expenditure

Resources expended are accounted for on an accruals basis as incurred. Cost of sales include all costs related to the delivery of products and services to the customer. Administration costs include all indirect and back office costs associated with administering and managing the business.

#### d) Cash flow statement

No cash flow statement is required because the Museum of London (Trading) Limited is a subsidiary undertaking of the Museum of London and its financial statements are consolidated into the financial statements of that body.

#### e) Recognition of liabilities

Liabilities are recognised when an obligation arises to transfer economic benefits as a result of past transactions or events.

#### f) Stock

Stocks are valued using a weighted average at the lower of cost and net realisable value.

### 2 Turnover

	2011 £'000	2010 £'000
Shop sales	1,078	802
Venue hire	536	225
Commission on catering services	134	116
	<u>1,748</u>	<u>1,143</u>

### 3 Cost of sales

	2011 £'000	2010 £'000
Shops purchases	558	418
Staff costs (including recharges by related entities)	668	418
License fees for use of premises	257	80
Commission expenditure on venue hire	11	24
	<u>1,494</u>	<u>940</u>

# MUSEUM OF LONDON (TRADING) LIMITED

## Notes to the Financial Statements for the year to 31 March 2011

### 4. Administrative expenses

	2011 £'000	2010 £'000
Administrative costs	217	180
Audit fees	7	7
Other	-	-
	<u>224</u>	<u>187</u>

### 5 Staff Costs

All of the Directors and staff working on Museum of London Trading business are employed by and remunerated by the parent company. The parent company makes an annual recharge to the trading company of these staff costs as part of the management and support recharge. There are no other employees. The company does pay directly for the cost of agency staff, the total cost charged to the accounts in 2011 was £63k (2010: £nil).

### 6 Other interest receivable and similar income

	2011 £'000	2010 £'000
Interest	1	-
	<u>1</u>	<u>-</u>

### 7. Debtors

	2011 £'000	2010 £'000
Trade debtors	175	98
Other debtors	-	-
Prepayment and accrued income	18	17
	<u>193</u>	<u>115</u>

### 8 Creditors Amounts falling due within one year

	2011 £'000	2010 £'000
Trade creditors	103	98
Accruals & deferred income	172	54
Amounts owed to group undertaking	1,546	429
Other creditors	14	4
	<u>1,835</u>	<u>585</u>

## MUSEUM OF LONDON (TRADING) LIMITED

### Notes to the Financial Statements for the year to 31 March 2011

#### 9 Called up share capital and liability of members

At 31 March 2011, called up share capital (authorised, allotted and fully paid) was 2 ordinary shares of £1 each (2010 same). The liability of the holding company, Museum of London, is limited to the value of the issued share capital. At 31 March 2011 its total potential liability amounted to £2 (2010 £2).

#### 10 Reserves

	Profit and Loss Account £'000	Total Reserves £'000
Balance as at 1 April 2010	-	-
Retained profit for the year	-	-
Balance at 31 March 2011	-	-

#### 11 Tax status

The company transfers the whole of its profits to its parent organisation, the Museum of London, under gift aid arrangements every year. No liability to corporation tax has arisen for the period to 31 March 2011 (2010 £nil).

#### 12 Related parties

##### Museum of London

The Museum of London (Trading) Limited recognises the Museum of London as its ultimate parent undertaking.

The Museum of London is the parent undertaking of the largest and smallest group of undertakings to consolidate these financial statements. The consolidated financial statements of the Museum of London can be obtained from 150 London Wall, London EC2Y 5HN or from our website at

<http://www.museumoflondon.org.uk/Corporate/About-us/ReportsPolicies/Accounts.htm>

The Museum of London made licensing and rental charges of £257k in the year for use of its premises for the purposes of commercial hire, retail and catering activities (2010 £80k). It also made charges of £610k in respect of direct and indirect staff costs and other support and administration (2010 £397k).