

# MUSEUM OF LONDON (TRADING) LIMITED

Annual Report and Financial Statements  
for the year ended 31 March 2019

Company No: 05423292



# MUSEUM OF LONDON (TRADING) LIMITED

Annual Report and Financial Statements for the year ended 31 March 2019

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# MUSEUM OF LONDON (TRADING) LIMITED

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## DIRECTORS, PROFESSIONAL ADVISERS AND ADMINISTRATIVE DETAILS

### Board of Directors

The following served during the year and up to the date of this report:

#### Executive Directors

Mr Richard Sweet  
Mr Sean O'Sullivan  
Ms Anna Sheldon

#### Non Executive Directors

Mrs Sally Balcombe (resigned 5 September 2018)  
Mr Jonathan Byrne  
Mr Douglas Gilmore (appointed 6 June 2019)  
Ms Mandy Mahil (appointed 4 December 2018)  
Ms Milyae Park (appointed 6 June 2019)  
Ms Sarah Roots (resigned 11 March 2019)

Company Law does not distinguish between Executive and Non-Executive Directors.

### Company Secretary

Sean O'Sullivan

### Professional Advisers:

#### Independent Auditor

Grant Thornton UK LLP  
Chartered Accountants and Statutory Auditor  
30 Finsbury Square  
London  
EC2A 1AG

#### Legal Adviser

Farrer & Co  
66 Lincoln's Inn Fields  
London  
WC2A 3LH

#### Banker

Lloyds Bank  
25 Gresham Street  
London  
EC2V 7HN

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

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

Museum of London (Registered Charity number 1139250)

150 London Wall

London EC2Y 5HN

Group consolidated financial statements may be obtained from this address.

### **Other information:**

Company registered in England, number 05423292

VAT registration number GB 927 579 475

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

**Annual Report and Financial Statements for the year ended 31 March 2019**

## **DIRECTORS' REPORT**

The Directors present their report and the audited financial statements of the company for the year ended 31 March 2019. The legal and administrative details on pages 2 and 3 form part of this report.

The entity meets the definition of a qualifying entity under FRS 102 and has taken advantage of the exemptions in respect of the preparation of a cash flow statement, disclosure of the remuneration of key management personnel and the disclosure of financial instruments.

### **Incorporation and status**

The Museum of London (Trading) Limited 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 2. No Directors held any shares in the company at 31 March 2019 (2018: none).

### **Principal activities**

The principal activities of the Museum of London (Trading) Limited are retailing (two gift shops managed by the Museum), events and income earned from the provision of corporate hire and catering services.

### **Results for the year**

Turnover was £3,031k (2018: £2,842k) which, after deduction of cost of sales of £2,020k (2018: £2,317k), resulted in a gross profit of £1,011k (2018: £525k). Interest receivable in the year was £8k (2018: £2k), interest payable in the year was £nil (2018: £nil) and after deduction of administrative expenses net profit amounted to £366k (2018: £73k). The company is obliged to pay the whole of its taxable profits each year to its parent undertaking, the Museum of London, under a Deed of Covenant.

### **Going concern**

The Directors consider that the financial statements have been prepared on a going concern basis and there are no material uncertainties relating to going concern. The Directors expect the company to continue to trade profitably for the foreseeable future.

### **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.

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## Disclosure of information to the Auditor

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

## Directors' responsibility statement

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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland).

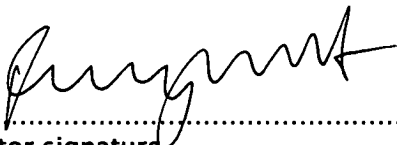
Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

## Adoption of report

By Order of the Board of Directors

  
.....  
Director signature

9. 10. 2019  
.....  
Date

R SWEET  
.....  
Director name : RICHARD SWEET

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

Annual Report and Financial Statements for the year ended 31 March 2019

## **INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF THE MUSEUM OF LONDON (TRADING) LIMITED**

### **Opinion**

We have audited the financial statements of Museum of London (Trading) Limited (the 'company') for the year ended 31 March 2019 which comprise the Statement of Comprehensive Income, Statement of Changes in Equity, Balance Sheet and notes to the financial statements, 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 March 2019 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.

### **Who we are reporting to**

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.

### **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

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

## **Annual Report and Financial Statements for the year ended 31 March 2019**

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 directors are responsible for the other information. The other information comprises the information included in the Directors' report, other than the financial statements and our auditor's report thereon. 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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report has been prepared in accordance with applicable legal requirements.

### **Matter on which we are required to report under the Companies Act 2006**

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 strategic report or the directors' report.

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

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.



# MUSEUM OF LONDON (TRADING) LIMITED

## Annual Report and Financial Statements for the year ended 31 March 2019

### Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 5, 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.

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.



William Devitt BSc FCA DChA  
Senior Statutory Auditor

for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
London

Date... 17 October 2019

# MUSEUM OF LONDON (TRADING) LIMITED

Annual Report and Financial Statements for the year ended 31 March 2019

## STATEMENT OF COMPREHENSIVE INCOME

	Notes	2019 Total £'000	2018 Total £'000
Turnover	2	3,031	2,842
Cost of sales	3	<u>(2,020)</u>	<u>(2,317)</u>
<b>Gross profit</b>		<b>1,011</b>	<b>525</b>
Administrative expenses	4	<u>(653)</u>	<u>(454)</u>
<b>Operating profit</b>		<b>358</b>	<b>71</b>
Other interest receivable and similar income	6	<u>8</u>	<u>2</u>
<b>Profit on ordinary activities after interest</b>		<b>366</b>	<b>73</b>
Tax on profit on ordinary activities	10	<u>-</u>	<u>-</u>
<b>Profit for the financial year</b>		<b><u>366</u></b>	<b><u>73</u></b>

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

The notes on pages 12 to 16 form part of these Financial Statements.

# MUSEUM OF LONDON (TRADING) LIMITED

Annual Report and Financial Statements for the year ended 31 March 2019

## STATEMENT OF CHANGES IN EQUITY

	2019 £'000	2018 £'000
Balance as at 1 April 2018	-	-
Profit for the financial year	366	73
Donation payable to parent under Deed of Covenant	<u>(366)</u>	<u>(73)</u>
Balance at 31 March 2019	<u>-</u>	<u>-</u>

# MUSEUM OF LONDON (TRADING) LIMITED

Annual Report and Financial Statements for the year ended 31 March 2019

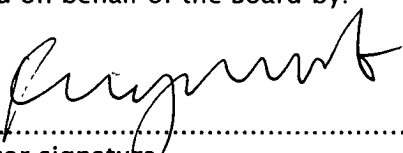
## BALANCE SHEET

	Notes	2019 £'000	2018 £'000
<b>Current assets</b>			
Stock		225	207
Debtors	7	539	410
Cash at bank and in hand		<u>2,197</u>	<u>2,734</u>
<b>Total current assets</b>		<b>2,961</b>	<b>3,351</b>
<b>Creditors: Amounts falling due within one year</b>	8	<b>(2,961)</b>	<b>(3,351)</b>
<b>Net current assets</b>		<u>-</u>	<u>-</u>
<b>Total assets less current liabilities</b>		-	-
<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>Total Shareholders' funds</b>		<u>-</u>	<u>-</u>

The notes on pages 12 to 16 form part of these Financial Statements.

The Financial Statements on pages 9 to 16 were approved by the Board of Directors on 5 September 2019.

Signed on behalf of the Board by:

  
.....  
Director signature

9.10.2019  
.....  
Date

R. SWEET  
.....  
Director name : RICHARD SWEET

# MUSEUM OF LONDON (TRADING) LIMITED

Annual Report and Financial Statements for the year ended 31 March 2019

## NOTES TO THE FINANCIAL STATEMENTS

### 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 United Kingdom accounting standards, including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'). The functional currency is GBP Sterling.

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 company contracts out its catering to reputable established catering and hospitality organisations which pay rents and/or commissions to the company. Retail income is recognised when the sale takes place. Event and commercial hire income is recognised when the event takes place. The entire 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 company has taken advantage of the exemption available to qualifying entities under FRS 102.

#### 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 the lower of a weighted average cost and net realisable value.

#### g) Payment to parent under a Deed of Covenant

The company has an obligation to donate all of its taxable profits to its parent, Museum of London, under the terms of a deed of covenant. These donations are recognised through equity, rather than as an expense through the Statement of Comprehensive Income. Therefore, an operating profit exists at the balance sheet date.

# MUSEUM OF LONDON (TRADING) LIMITED

## Annual Report and Financial Statements for the year ended 31 March 2019

### h) Taxation

A deed of covenant is in place that states that each year, the directors must require the subsidiary to pay the total value of profits to the parent charity as a charitable donation. The donation due in respect of the taxable profits arising in the year ended 31 March 2019 is recognised in the year in which the taxable profits arose. The Company's liability to corporation tax on the profit arising from its trading activities in 2018/19 is subsequently extinguished as a result of paying the charitable donation to the parent within nine months of the year end.

### 2. Turnover

	2019	2018
	£'000	£'000
Shop sales	950	958
Venue hire	1,195	1,130
Commission on catering services	303	310
Commercial Events	122	203
Income from other sources	461	241
	<u>3,031</u>	<u>2,842</u>

### 3. Cost of sales

	2019	2018
	£'000	£'000
Shops purchases	487	484
Staff costs (including recharges by parent undertaking)	931	902
Licence fees and other recharges	602	931
	<u>2,020</u>	<u>2,317</u>

# MUSEUM OF LONDON (TRADING) LIMITED

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## 4. Administrative expenses

Administrative costs have increased by £200k (45%) from the prior year. The increase is largely due to the design and delivery of a festival in August 2018 "London's biggest birthday party" celebrating the 150th anniversary of Smithfield Market.

	2019	2018
	£'000	£'000
Administrative costs	645	446
Audit fees	<u>8</u>	<u>8</u>
	<u>653</u>	<u>454</u>

## 5. Staff Costs

With effect from 1 March 2014, the Executive Directors and staff working on the 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 of Museum of London (Trading) Limited.

Emoluments paid to Executive Directors by the parent company and recharged to the Museum of London Trading business were £112k (2018: £107k). The Non-Executive Directors did not receive any emoluments in respect of their services to the company (2018: £nil).

## 6. Interest receivable

	2019	2018
	£'000	£'000
Interest receivable	<u>8</u>	<u>2</u>

## MUSEUM OF LONDON (TRADING) LIMITED

### Annual Report and Financial Statements for the year ended 31 March 2019

#### 7. Debtors

	2019	2018
	£'000	£'000
Trade debtors	340	291
Prepayments and accrued income	199	119
	<u>539</u>	<u>410</u>

Trade debtors includes £152k relating to events scheduled to take place after 31 May 2019 (2018: £82k related to events scheduled to take place after 31 May 2018) which, under the company's terms and conditions, only become payable in full within two months of the event. The corresponding income is included in deferred income; see Note 8 below.

#### 8. Creditors: Amounts falling due within one year

	2019	2018
	£'000	£'000
Trade creditors	128	83
Amounts owed to group undertaking	2,521	2,948
Other creditors	27	48
Accruals and deferred income	285	272
	<u>2,961</u>	<u>3,351</u>

See reference in Note 7 above to events scheduled to take place after 31 May.

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

At 31 March 2019, called up share capital (authorised, allotted and fully paid) was 2 ordinary shares of £1 each (2018: same). The liability of the holding company, Museum of London, is limited to the value of the issued share capital. At 31 March 2019 its total potential liability amounted to £2 (2018: £2).



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Annual Report and Financial Statements for the year ended 31 March 2019

## 10. Tax status

The company transfers the whole of its profits each year to its parent undertaking, the Museum of London, under a deed of covenant. Corporation tax due has been offset by tax reliefs due on charitable distributions.

	2019	2018
	£'000	£'000
Tax charge	73	15
Tax relief in respect of gift aid	<u>(73)</u>	<u>(15)</u>
	<u>-</u>	<u>-</u>

## 11. Related parties

### Museum of London

The Museum of London (Trading) Limited recognises the Museum of London, registered charity number 1139250, as its ultimate parent undertaking and controlling party.

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/about-us/corporate-information/annual-reports-and-accounts>

The Museum of London made licensing and rental charges of £462k (2018: £898k) in the year for use of its premises for the purposes of commercial hire, retail and catering activities. It also made charges of £898k (2018: £822k) in respect of direct and indirect staff costs and other support and administration. Interest charges of £nil (2018: £nil) were made on intragroup balances during the year.