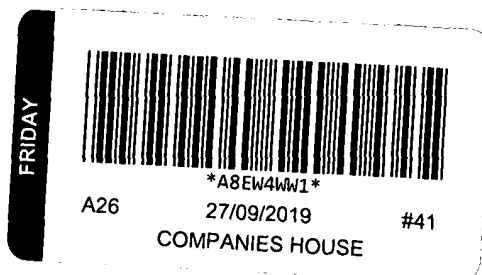


Company Registration No. 00890446

NSPCC Trading Company Limited

Annual Report and Financial Statements

for the year ended 31 March 2019



NSPCC Trading Company Limited

1. Officers and Professional Advisers

Directors

David Roberts
Peter Wanless
Phillip Noyes (resigned 21 December 2018)
Paul Taylor (appointed 25 April 2018)
Allison Jeremy (appointed 21 December 2018)
Josephine Swinhoe (appointed 21 December 2018)

Secretary

David Roberts

Registered Office

Weston House
42 Curtain Road
London
EC2A 3NH

Auditor

Deloitte LLP
Statutory Auditor
Hill House
1 Little New Street
London
EC4A 3TR

Bankers

Barclays Bank Plc
1 Churchill Place
London, E14 5HP

Solicitors

Clifford Chance
10 Upper Bank Street
London E14 5JJ

Baker & McKenzie
100 New Bridge Street
London EC4V 6JA

Wragge & Co
142 High Holborn
London WC1N 2SW

Walker Morris
Kings Court
12 King Street
Leeds LS1 2HL

NSPCC Trading Company Limited

2. Directors' Report

The directors submit their annual report with the audited accounts for the year ended 31 March 2019.

Principal Activity and Review of Business

The main activities of the Company are organising participation fundraising events on behalf of the NSPCC, a mail order operation and the sale of NSPCC branded goods. The company continues to develop its activities to support the work of the National Society for the Prevention of Cruelty to Children (NSPCC).

Future Prospects

The directors consider that the Company is expected to continue trading profitably.

Going Concern

The directors have considered the 12 month period from the date of signing these accounts, and assessed whether the Company is able to continue as a going concern, in view of projected income, expenditure and future cash flows. ~~If income from operating activities were to fall due to a change in the economic environment or~~ other adverse event, the directors have a reasonable expectation that the Company would continue to be able to meet its commitments as they fell due or that actions could be taken to reduce expenditure accordingly. The Company has adequate resources to continue its activities for the foreseeable future. Accordingly, the directors continue to adopt the going concern basis in preparing the financial statements.

Results and Dividends

The results for the year's trading and the state of the Company's affairs at 31 March 2019 are set out in the attached accounts.

Revenue has decreased by £404,118 to £1,875,723 (2018: £2,279,841) as a result of additional income from corporate sponsors received in prior year.

In accordance with the objects of the Company contained in the Company's Memorandum of Association, the taxable profit for the year of £1,555,409 (2018: £1,916,428) has been donated under Gift Aid to the NSPCC. The directors do not recommend the payment of dividend (2018: £nil).

Directors

The directors of the Company who served throughout the year except as noted, were as follows:

David Roberts

Peter Wanless

Phillip Noyes (resigned 21 December 2018)

Paul Taylor (appointed 25 April 2018)

Alison Jeremy (appointed 21 December 2018)

Josephine Swinhoe (appointed 21 December 2018)

Directors' Report (continued)

Provision of Information to Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the directors are 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.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

Auditor

A resolution to re-appoint Deloitte LLP as the Company's auditor will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors on 18 July 2019

Signed on behalf of the Board



Peter Wanless
Director

3. Directors' Responsibilities Statement

The directors are responsible for preparing the Annual 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 judgments and accounting 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 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 auditor's report to the members of NSPCC Trading Company Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of NSPCC Trading Company Limited (the 'company'):

- 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, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement income and retained earnings;
 - the statement of financial position; and
 - the related notes 1 to 13.
-

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).

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 Financial Reporting Council's (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

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in 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 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.

We have nothing to report in respect of these matters.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual 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 respect of these matters.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

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.

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 any material misstatements in the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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.

We have nothing to report in respect of these matters.

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.

Helen Burridge

Helen Burridge (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, UK
18 July 2019

Statement of Income and Retained Earnings

for the year ended 31 March 2019

	Notes	2019 £	2018 £
Revenue	3,4	1,875,723	2,279,841
Cost of sales		(139,498)	(86,183)
Gross profit	4	1,736,225	2,193,658
Administrative expenses		(180,816)	(277,230)
Profit before taxation	5	1,555,409	1,916,428
Taxation	2,7	-	-
Profit after taxation		1,555,409	1,916,428
Donated to the NSPCC		(1,555,409)	(1,916,428)
Retained profit for the year		-	-

Revenue and profit are wholly attributable to continuing activities. There are no recognised gains and losses or changes in equity other than those as reported in the Statement of Income and Retained Earnings for both the current and preceding year. Accordingly, no statement of comprehensive income and no statement of change in equity is given.

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

Statement of Financial Position

As at 31 March 2019

	Notes	2019 £	2018 £
Current assets			
Inventories	8	96,808	66,998
Trade and other receivables	9	1,073,477	1,583,651
Cash at bank and in hand		200,875	206,929
Total current assets		1,371,160	1,857,578
 Trade and other payables	 10	 (1,340,842)	 (1,827,260)
Net current assets		30,318	30,318
Total assets less current liabilities		30,318	30,318
Net assets		30,318	30,318
 Capital and reserves			
Called up share capital	12	100	100
Profit and loss account		30,218	30,218
Total shareholder's funds		30,318	30,318

The financial statements are prepared in accordance with the special provisions applicable to companies subject to the small companies regime in accordance with provisions of Section 1A of the Financial Reporting Standard 102 (FRS102).

These financial statements were approved and authorised for issue by the Board of Directors on 18 July 2019 and signed on its behalf by:



Peter Wanless
Director

The notes on pages 10 to 12 form part of these financial statements.

NSPCC Trading Company Limited

Notes to the Accounts for the year ended 31 March 2019

1. Accounting Policies

1.1 Basis of accounting

NSPCC Trading Company Limited is a private company limited by shares incorporated in United Kingdom under the Companies Act 2006 and registered in England & Wales, incorporated in 1966. The address of its registered office is Weston House, 42 Curtain Road, London, EC2A 3NH. The financial statements have been prepared under the historical cost convention and in accordance with Section 1A of Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. The accounts have been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

1.2 Going concern

The directors have assessed whether the Company is able to continue as a going concern, in view of projected income, expenditure and future cash flows. If income from operating activities were to fall due to a change in the economic environment or other adverse event, the directors have a reasonable expectation that the Company would continue to be able to meet its commitments as they fell due or that actions could be taken to reduce expenditure accordingly. The Company has adequate resources to continue its activities for the foreseeable future.

1.3 Principal accounting estimates and judgements

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, revenues, expenses and the accompanying disclosures. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The Directors do not consider there to be any critical accounting estimates and judgements.

1.4 Revenue recognition

Revenue comprises of: income received from the Charity for organising fundraising participation events; mail order sales; and other trading activities. Income for fundraising participation events is recognised based on a management contract with the Charity whereby the Company charges the Charity a mark up on the costs incurred in organising the event. The nature of this income was reviewed in previous periods and was deemed to be an agency arrangement and as such the Company recognises the mark up charged rather than the gross income and expenditure. Income from the sale of goods is recognised as revenue in the accounting period in which the sale is made and risks and rewards of ownership have transferred substantially to the customer.

Income which has been recognised as income at 31 March 2019 but not invoiced is included in accrued income within debtors. Amounts invoiced in advance are included in deferred income within creditors.

1.5 Inventories

Inventories are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined on a first in first out basis.

1.6 Financial Instruments

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument. The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value (including transaction costs) and subsequently measured at their settlement value.

Trade and other debtors are recognised at the settlement amount due after any trade discount offered and net of the bad debt provision. Prepayments are valued at the amount prepaid net of any trade discounts due. Creditors including amounts owed to parent and provisions are recognised where the company has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors including amounts owed to parent and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

1.7 Leases

Rental costs under operating leases are charged to the profit and loss account in equal annual amounts over the period of the lease term.

1.8 Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

1.9 Cash flow

The company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemption in relation to presentation of a cash flow statement in accordance with FRS 102 section 7.

1.10 Gift Aid

Gift Aid payable to the parent undertaking, NSPCC, is charged to the profit and loss account. The estimate of Gift Aid payable is the lesser of the Company's taxable profits for the period and the balance of the Company's reserves which is available for distribution. Current and future Gift Aid payments are made under a deed of covenant arrangement.

NSPCC Trading Company Limited
Notes to the Accounts for the year ended 31 March 2019

2. Taxation

The taxable income for the year is the same as the profit on ordinary activities before Gift Aid to the NSPCC. As all taxable income is donated to the NSPCC under Gift Aid, no tax is payable for the year (2018: £nil).

3. Revenue

Turnover comprises invoiced goods or services supplied by the Company exclusive of Value Added Tax. All turnover arises within the UK.

4. Analysis of Revenue and Gross Profit between activities

	Turnover		Gross Profit	
	2019 £	2018 £	2019 £	2018 £
One-off fundraising events	396,022	418,614	389,780	412,487
Mail order	181,445	138,165	67,989	88,984
Shops	-	50,332	-	49,816
Other trading	1,298,256	1,672,730	1,278,456	1,642,371
Total	1,875,723	2,279,841	1,736,225	2,193,658

Other trading includes: sponsorship income, licence fee and recycling income.

5. Profit before tax

	2019 £	2018 £
Profit is stated after charging:		
Fees payable to the Company's auditor for the audit of the Company's annual accounts	6,759	6,600
Fees payable to the Company's auditor for other services:		
Operating lease rentals (land and buildings)	-	2,016

6. Staff and directors remuneration

During the year ended 31 March 2019 the directors received no remuneration for their services to the company (2018: £nil). The directors did not perform any qualifying services for the company as all decisions are made at a group level. The company does not employ staff directly but utilises the NSPCC's staff, equivalent to an average of six Participation Events employees with total staff costs of £270,000, calculated on a full-time equivalent basis (2018: six FTE £208,000) and two employees in fundraising and finance with total staff costs of £70,000 (2018: four FTE £135,000).

7. Tax

	2019 £	2018 £
Current taxation		
Tax expense included in profit	-	-
UK corporation tax at 19% (2018: 19%) based on profit for the year	-	-
The standard rate of current tax for the year, based on the UK standard rate of corporation tax, is 19%. The current tax for the year differs from the standard rate for the reasons set out in the following reconciliation:		
	2019 £	2018 £
Profit before taxation	(1,555,409)	(1,916,428)
Current tax charge for the year:		
Tax charge on profit on ordinary activities at standard rate of 19% (2018: 19%)	295,528	364,121
Tax relief on Gift Aid donation	(295,528)	(364,121)
Current tax for the year	-	-

Factors that may affect future tax changes

The UK corporation tax rate will reduce to 17% from 1 April 2020. The current rate of 19% has been applied for the year ended 31 March 2019.

NSPCC Trading Company Limited
Notes to the Accounts for the year ended 31 March 2019

8. Inventories

	2019	2018
	£	£
Inventory - finished goods	96,808	66,998

9. Trade and other receivables

	2019	2018
	£	£
Trade receivables	327,500	1,016,889
Prepayments	646,564	441,729
Accrued income	93,921	120,751
Other receivables	5,492	4,282
Total	1,073,477	1,583,651

10. Trade and other payables

	2019	2018
	£	£
Trade payables	3,042	7,593
Amounts owed to parent	1,222,777	1,701,619
Other payables	-	174
Accruals and deferred income	115,023	117,874
Total	1,340,842	1,827,260

11. Operating lease commitments

Total of future minimum lease payments for the company under non-cancellable operating leases for each of the following periods:

	Land and buildings 2019 £	Land and buildings 2018 £
Company		
Within one year	-	2,016
Total	-	2,016

12. Called up share capital

	2019	2018
	£	£
Authorised, called up, allotted and fully paid:		
100 Ordinary shares of £1 each	100	100

13. Ultimate parent undertaking

The Company's immediate and ultimate parent undertaking and controlling entity is the National Society for the Prevention of Cruelty to Children (NSPCC) which is a registered charity in England and Wales.

The Company has taken advantage of the exemption available under FRS 102, section 33.1A, not to disclose transactions between wholly-owned members of the group.

The parent undertaking of the smallest and largest group which includes the Company, and for which group accounts are prepared is the NSPCC. Copies of the NSPCC's consolidated annual report can be obtained from the registered office set out on page 1.