

Company Registration No. 00890446

NSPCC Trading Company Limited

Annual Report and Financial Statements

for the year ended 31 March 2021

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NSPCC Trading Company Limited

Annual report and financial statements for the year ended 31 March 2021

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NSPCC Trading Company Limited

1. Officers and Professional Advisers

Directors

David Roberts (resigned 22 February 2021)
Peter Wanless
Paul Taylor
Josephine Swinhoe

Secretary

David Roberts (resigned 22 February 2021)
Allison Howe (appointed 22 February 2021)

Registered Office

Weston House
42 Curtain Road
London
EC2A 3NH

Statutory Auditor

Deloitte LLP
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 2021.

The directors' report has been prepared in accordance with the small companies regime of the Companies Act 2006, including exemption from preparing a strategic report.

Principal Activity and Review of Business

The main activities of the Company are organising participation fundraising events on behalf of The National Society for the Prevention of Cruelty to Children (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 NSPCC, the parent entity.

Future Prospects

The global coronavirus pandemic resulted in people not being able to partake in mass participation events, such as the London Marathon, which have been further postponed, delaying recognition of this income. The Company plans to continue to organise participation fundraising events on behalf of the NSPCC and operate an online and mail order shop including the sale of NSPCC branded goods. The directors expect there to be continued impact from the global coronavirus pandemic on the ability to raise income from participation events in the short term. Despite the ongoing implications of the pandemic, the directors consider that the Company is expected to continue trading profitably.

Going Concern

The global coronavirus pandemic has put pressure on our ability to raise income for our work with events unable to go ahead as planned. However, we have responded and adapted and our generous supporters have ensured we have been able to continue our work as we revised our income generation approach. 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. 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 2021 are set out in the attached accounts.

Revenue has decreased by £831,712 to £898,438 (2020: £1,730,150) due to reduced participation event income as a result of the coronavirus pandemic. This has been slightly offset by sale of fixed price products through our online shop and mail order operation increasing.

In accordance with the objects of the Company contained in the Company's Memorandum of Association, the taxable profit for the year of £578,028 (2020: £1,437,756) has been donated under Gift Aid to the NSPCC. The directors do not recommend the payment of dividend (2020: £nil).

2. Directors' Report (continued)

Directors

The directors of the Company who served throughout the year and to the date of this report except as noted, were as follows:

David Roberts (resigned 22 February 2021)
Peter Wanless
Paul Taylor
Josephine Swinhoe

Provision of Information to Auditor

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

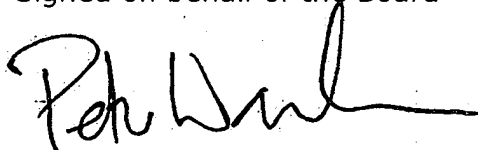
- so far as the directors are aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the 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 15 July 2021
Signed on behalf of the Board

A handwritten signature in black ink, appearing to read 'Peter Wanless', written over a horizontal line.

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 2021 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 of Income and Retained Earnings;
- the Statement of Financial Position; and
- the related notes 1 to 11.

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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

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.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management, internal audit, human resources and legal about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following area, and our specific procedures performed to address it are described below:

- revenue recognition which is related to the cut-off of income: we obtained an understanding of the key processes and relevant controls around the cut-off of income; and performed detailed substantive tests on a sample transactions to verify that they are recognised within the correct accounting period.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations;
- enquiring with management including obtaining and reviewing supporting documentation concerning the entity's policies and procedures relating to detecting and responding to the risk of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
- enquiring of management and internal legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance and reviewing internal audit reports.

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

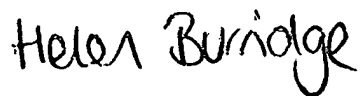
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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 exemption 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 (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
15 July 2021

NSPCC Trading Company Limited

Statement of Income and Retained Earnings

for the year ended 31 March 2021

	Notes	2021 £	2020 £
Revenue	3,4	898,438	1,730,150
Cost of sales		(103,444)	(128,410)
Gross profit	4	794,994	1,601,740
Administrative expenses		(216,966)	(163,984)
Profit before taxation	5	578,028	1,437,756
Taxation	2	-	-
Profit after taxation		578,028	1,437,756
Donated to the NSPCC		(578,028)	(1,437,756)
Retained profit for the year		-	-
Retained profit at 1 April		30,218	30,218
Retained profit at 31 March		30,218	30,218

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 12 to 14 form part of these financial statements.

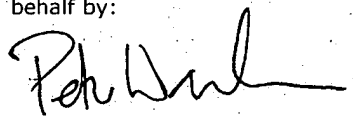
Statement of Financial Position

As at 31 March 2021

	Notes	2021 £	2020 £
Current assets			
Inventories	7	61,871	66,769
Trade and other receivables	8	666,507	1,059,452
Cash at bank and in hand		263,762	180,902
Total current assets		992,140	1,307,123
Trade and other payables	9	(961,822)	(1,276,805)
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	10	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 15 July 2021 and signed on its behalf by:



Peter Wanless
Director

The notes on pages 12 to 14 form part of these financial statements.

NSPCC Trading Company Limited
Notes to the Accounts for the year ended 31 March 2021

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 including considering the continued impact of the global coronavirus pandemic as set out in page 2 of the directors report. This assessment was 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 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. Other trading income is recognised when the Company is legally entitled to the income, it is probable that the income will be received, and the amount can be quantified with reasonable accuracy.

Income which has been recognised as income at 31 March 2021 but not invoiced is included in accrued income within debtors. Amounts invoiced in advance are included in deferred income within creditors.

1.4 Expenditure

Expenditure is accounted for on an accruals basis. The Company utilises staff employed by the Charity. Staff costs are recharged at cost in the period to which they relate.

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. The company is a qualifying entity by virtue of being included in the consolidated financial statements of its charity parent.

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 2021

2. Taxation

The taxable income for the year is the same as the profit 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 (2020: £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	
	2021	2020	2021	2020
	£	£	£	£
One-off fundraising events	54,360	398,284	54,360	387,484
Mail order	227,914	179,656	203,735	82,447
Other trading	616,164	1,152,210	536,899	1,131,809
Total	898,438	1,730,150	794,994	1,601,740

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

5. Profit before tax

	2021	2020
	£	£
Profit is stated after charging:		
Fees payable to the Company's auditor for the audit of the Company's annual accounts	7,527	6,968

6. Staff and directors remuneration

During the year ended 31 March 2021 the directors received no remuneration for their services to the company (2020: £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 eight Participation Events employees with total staff costs of £329,000, calculated on a full-time equivalent basis (2020: eight FTE £314,000) and an average of two fundraising and finance employees with total staff costs of £94,000 (2020: one FTE £63,000).

NSPCC Trading Company Limited
Notes to the Accounts for the year ended 31 March 2021

7. Inventories

	2021	2020
	£	£
Inventory - finished goods	61,871	66,769

8. Trade and other receivables

	2021	2020
	£	£
Trade receivables	124,961	370,013
Prepayments	538,265	626,034
Accrued income	-	59,160
Other receivables	3,281	4,245
Total	666,507	1,059,452

9. Trade and other payables

	2021	2020
	£	£
Trade payables	6,906	13,534
Amounts owed to parent	829,469	1,118,170
Accruals and deferred income	125,447	145,101
Total	961,822	1,276,805

Amounts owed to parent are non-interest bearing and repayable on demand.

10. Called up share capital

	2021	2020
	£	£
Authorised, called up, allotted and fully paid:		
100 Ordinary shares of £1 each	100	100

11. 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. There were no other related party transactions in the year (2020: none).

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.