

COMPANY REGISTRATION NUMBER: 06707366

National Army Museum Trading Limited
Financial Statements
31 March 2018

National Army Museum Trading Limited

Financial Statements

Year ended 31 March 2018

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National Army Museum Trading Limited

Directors' Report

Year ended 31 March 2018

The directors present their report and the financial statements of the company for the year ended 31 March 2018.

Directors

The directors who served the company during the year were as follows:

Ms J A Spungin	
Mr R Grimston	
Mr D K Smurthwaite	
Mr P Schreier	(Appointed 3 November 2017)
Mrs J Donovan	(Appointed 3 November 2017)
Mr J Maciejewski	(Appointed 26 February 2018)
Mrs Janice Murray	(Resigned 31 October 2017)
Mr J P F Bradley	(Resigned 13 June 2017)

Directors' responsibilities 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). 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 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;
- 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.

Auditor

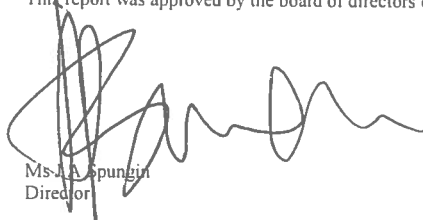
Each of the persons who is a director at the date of approval of this report confirms that:

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

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

This report was approved by the board of directors on 01/11/2018 and signed on behalf of the board by:



Ms J A Spungin
Director

Registered office:
National Army Museum
Royal Hospital Road
London
SW3 4HT

National Army Museum Trading Limited

Independent Auditor's Report to the Members of National Army Museum Trading Limited

Year ended 31 March 2018

Opinion

We have audited the financial statements of National Army Museum Trading Limited (the 'company') for the year ended 31 March 2018 which comprise the statement of income and retained earnings, statement of financial position and the related notes, 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 FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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.

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 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 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. 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.

National Army Museum Trading Limited

Independent Auditor's Report to the Members of National Army Museum Trading Limited *(continued)*

Year ended 31 March 2018

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.

Matters on which we are required to report by exception

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 directors' report.

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; 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.

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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

National Army Museum Trading Limited

Independent Auditor's Report to the Members of National Army Museum Trading Limited *(continued)*

Year ended 31 March 2018

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Kreston Reeves LLP

Alison Jones FCA (Senior Statutory Auditor)

For and on behalf of
KRESTON REEVES LLP
Chartered Accountants & statutory auditor
One Jubilee Street
Brighton
East Sussex
BN1 1GE

12 November 2018

National Army Museum Trading Limited

Statement of Income and Retained Earnings

Year ended 31 March 2018

	Note	2018 £	2017 (restated) £
Turnover		534,608	39,986
Cost of sales		<u>154,827</u>	<u>49,248</u>
Gross profit/(loss)		379,781	(9,262)
Administrative expenses		<u>312,719</u>	<u>98,617</u>
Operating profit/(loss)		67,062	(107,879)
Other interest receivable and similar income		3	6
Interest payable and similar expenses		<u>3,579</u>	<u>334</u>
Profit/(loss) before taxation		63,486	(108,207)
Tax on profit/(loss)		<u>12,062</u>	<u>(20,559)</u>
Profit/(loss) for the financial year and total comprehensive income		<u>51,424</u>	<u>(87,648)</u>
Retained losses at the start of the year (as previously reported)		(128,720)	(20,513)
Prior period adjustments		<u>24,457</u>	<u>3,898</u>
Retained losses at the start of the year (restated)		<u>(104,263)</u>	<u>(16,615)</u>
Retained losses at the end of the year		<u>(52,839)</u>	<u>(104,263)</u>

All the activities of the company are from continuing operations

The notes on pages 7 to 8 form part of these financial statements.

National Army Museum Trading Limited

Statement of Financial Position

31 March 2018

	Note	2018		2017 (restated)
		£	£	£
Current assets				
Stocks		173,550		67,641
Debtors	6	82,931		43,815
Cash at bank and in hand		24,646		110,352
		<u>281,127</u>		<u>221,808</u>
Creditors: amounts falling due within one year	7	<u>214,859</u>		<u>164,464</u>
Net current assets			<u>66,268</u>	<u>57,344</u>
Total assets less current liabilities			<u>66,268</u>	<u>57,344</u>
Creditors: amounts falling due after more than one year				
Amounts owed to parent undertaking			<u>119,106</u>	<u>161,606</u>
Net liabilities			<u>(52,838)</u>	<u>(104,262)</u>
Capital and reserves				
Called up share capital			<u>1</u>	<u>1</u>
Profit and loss account			<u>(52,839)</u>	<u>(104,263)</u>
Shareholders deficit			<u>(52,838)</u>	<u>(104,262)</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

These financial statements were approved by the board of directors and authorised for issue on 01/04/2018, and are signed on behalf of the board by:

Ms J A Spungin
Director

Company registration number: 06707366

The notes on pages 7 to 8 form part of these financial statements.

National Army Museum Trading Limited

Notes to the Financial Statements

Year ended 31 March 2018

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is National Army Museum, Royal Hospital Road, London, SW3 4HT.

2. Statement of compliance

These financial statements have been prepared in compliance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

(a) Basis of preparation

The financial statements have been prepared on the historical cost basis.

The financial statements are prepared in sterling, which is the functional currency of the entity.

(b) Going concern

The Museum remained closed until 28 March 2017 which resulted in a severely reduced level of trading activity in the previous two financial years. Whilst the Company has returned to profitability it still has an accumulated deficit and requires the support of its parent company, the National Army Museum. This support has been confirmed and as a result the directors consider the company to be a going concern and that it is appropriate to prepare the financial statements on this basis. This support included receipt of a £200,000 loan in March 2017 repayable over 5 years carrying interest at 1 per cent per annum.

(c) Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported.

(d) Revenue recognition

The turnover shown in the profit and loss account represents amounts earned during the year from retail sales, room hire, birthday parties, children's soft play activities and related services, exclusive of Value Added Tax.

(e) Taxation

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

(f) Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

National Army Museum Trading Limited

Notes to the Financial Statements (continued)

Year ended 31 March 2018

3. Accounting policies (continued)

(g) Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

(h) Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided.

4. Auditor's remuneration

	2018	2017
	£	£
Fees payable for the audit of the financial statements	<u>5,425</u>	<u>4,150</u>

5. Employee numbers

The average number of persons employed by the company during the year amounted to 26 (2017: 8).

6. Debtors

	2018	2017
	£	£
Trade debtors	67,533	3,206
Other debtors	<u>15,398</u>	<u>40,609</u>
	<u>82,931</u>	<u>43,815</u>

Other debtors includes a deferred tax asset in relation to tax losses which can be carried forward and offset against the tax arising on future taxable profits of £12,395 (2017: £24,457).

7. Creditors: amounts falling due within one year

	2018	2017
	£	£
Trade creditors	24,799	37,716
Amounts owed to parent undertaking	99,011	70,625
Social security and other taxes	15,568	–
Other creditors	<u>75,481</u>	<u>56,123</u>
	<u>214,859</u>	<u>164,464</u>

8. Prior period adjustments

The prior period adjustment relates to a deferred tax asset of £24,457 which was not recognised in the financial statements for the years ended 31 March 2017 and 2016. On review this should have been included as it is available to offset against any future corporation tax payable on the profits of the Company. The effect of this prior year adjustment is shown in the Statement of Income and Retained Earnings and the Statement of Financial Position.

9. Controlling party

The ultimate parent company is the National Army Museum.

The ultimate controlling party is the Trustees of the National Army Museum.

National Army Museum Trading Limited

Management Information

Year ended 31 March 2018

The following pages do not form part of the financial statements.

National Army Museum Trading Limited

Detailed Income Statement

Year ended 31 March 2018

	2018 £	2017 £
Turnover		
Museum Shop Sales	223,395	2,769
Catering Commission	44,330	–
Reproduction Fees	13,263	22,101
Room Hire	51,053	4,682
Playbase Income	125,629	739
Birthday Parties	73,687	–
Other Trading Income	3,251	9,695
	<u>534,608</u>	<u>39,986</u>
Cost of sales		
Opening stock	67,641	35,538
Purchases	215,918	76,048
Room Hire	44,818	5,303
	<u>328,377</u>	<u>116,889</u>
Closing stock	173,550	67,641
	<u>154,827</u>	<u>49,248</u>
Gross profit/(loss)	<u>379,781</u>	<u>(9,262)</u>
Overheads		
Administrative expenses	312,719	98,617
Operating profit/(loss)	<u>67,062</u>	<u>(107,879)</u>
Other interest receivable and similar income	3	6
Interest payable and similar expenses	(3,579)	(334)
Profit/(loss) before taxation	<u>63,486</u>	<u>(108,207)</u>

National Army Museum Trading Limited

Notes to the Detailed Income Statement

Year ended 31 March 2018

	2018	2017
	£	£
Administrative expenses		
Administrative staff salaries		
Contractors fees	254,605	59,162
Staff pension contributions	6,640	3,703
Repairs and maintenance	4,491	2,525
Travel and subsistence	3,169	15,166
Staff recruitment	392	873
Membership and subscriptions	1,245	4,342
Hospitality	745	94
Legal and professional fees	84	573
Accountancy fees	24,374	3,088
Auditors remuneration	4,820	3,580
Bad debts	5,425	4,150
Credit card charges	24	22
Bank charges	6,345	1,162
	360	177
	<u>312,719</u>	<u>98,617</u>
Other interest receivable and similar income		
Bank interest receivable	3	6
Interest payable and similar expenses		
Other interest payable and similar charges	<u>3,579</u>	<u>334</u>