

NATIONAL ARMY MUSEUM TRADING LIMITED
FINANCIAL STATEMENTS
31 MARCH 2014

Company Registration Number 06707366

NATIONAL ARMY MUSEUM TRADING LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2014

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NATIONAL ARMY MUSEUM TRADING LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 MARCH 2014

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 March 2014.

PRINCIPAL ACTIVITIES

The principal activity of the company during the period was conducting trading operations for the National Army Museum.

THE DIRECTORS AND THEIR INTERESTS IN SHARES OF THE COMPANY

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

Mrs J Murray
Mr J P F Bradley
Mr D K Smurthwaite
Mr D M Scott
Mrs J A Anthony (Resigned 19 June 2013)

RESULTS & CHARITABLE CONTRIBUTIONS

The Company reported a trading profit of £132,536 for the period.

Profits chargeable to corporation tax are gift aided to the parent undertaking, a registered charity. No dividends were payable for the year (2013: nil).

During the period the company made charitable contributions totalling £86,009 in respect of the donation of last year's trading profit to its parent undertaking.

DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have 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 of the profit or loss of the company for that year.

In preparing those financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In 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 steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

NATIONAL ARMY MUSEUM TRADING LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 MARCH 2014

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

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

Signed on behalf of the directors

Mrs J Murray
Director

Approved by the directors on

NATIONAL ARMY MUSEUM TRADING LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF NATIONAL ARMY MUSEUM TRADING LIMITED

YEAR ENDED 31 MARCH 2014

We have audited the financial statements of National Army Museum Trading Limited for the year ended 31 March 2014 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard For Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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.

Respective responsibilities of directors and the auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit opinion

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; 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 and the Directors' Report in accordance with the small companies regime.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2014 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

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

Alexander Spofforth BA FCA
Senior Statutory Auditor
For and on behalf of
Spofforths LLP
Chartered Accountants and Statutory Auditor

One Jubilee Street
Brighton
East Sussex
BN1 1GE

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NATIONAL ARMY MUSEUM TRADING LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 MARCH 2014

| | Note | 2014 £ | 2013 £ |
|--|------|-----------------------|---------------------|
| TURNOVER | | 554,613 | 508,687 |
| Cost of sales | | <u>186,835</u> | <u>167,720</u> |
| GROSS PROFIT | | 367,778 | 340,967 |
| Administrative expenses | | <u>235,297</u> | <u>255,218</u> |
| OPERATING PROFIT | 2 | 132,481 | 85,749 |
| Interest receivable | | 55 | 48 |
| PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION | | 132,536 | 85,797 |
| Tax on profit on ordinary activities | | — | — |
| PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION | | 132,536 | 85,797 |
| Gift Aid payment to National Army Museum | 4 | <u>134,020</u> | <u>86,009</u> |
| LOSS FOR THE FINANCIAL YEAR | | <u>(1,484)</u> | <u>(212)</u> |

The notes on pages 6 to 8 form part of these financial statements.

NATIONAL ARMY MUSEUM TRADING LIMITED

BALANCE SHEET

31 MARCH 2014

| | Note | 2014 £ | £ | 2013 £ | £ |
|---|------|----------------|----------|----------------|--------------|
| FIXED ASSETS | | | | | |
| Tangible assets | 5 | | – | | 1,484 |
| CURRENT ASSETS | | | | | |
| Stocks | | 44,862 | | 70,512 | |
| Debtors | 6 | 10,621 | | 10,980 | |
| Cash at bank and in hand | | 163,902 | | 111,480 | |
| | | <u>219,385</u> | | <u>192,972</u> | |
| CREDITORS: Amounts falling due within one year | 7 | <u>219,384</u> | | <u>192,971</u> | |
| NET CURRENT ASSETS | | | <u>1</u> | | <u>1</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | <u>1</u> | | <u>1,485</u> |
| CAPITAL AND RESERVES | | | | | |
| Called-up equity share capital | 9 | | 1 | | 1 |
| Profit and loss account | 10 | | – | | 1,484 |
| SHAREHOLDERS' FUNDS | | | <u>1</u> | | <u>1,485</u> |

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

These financial statements were approved by the directors and authorised for issue on, and are signed on their behalf by:

.....
MRS J MURRAY

Company Registration Number: 06707366

The notes on pages 6 to 8 form part of these financial statements.

NATIONAL ARMY MUSEUM TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2014

1. ACCOUNTING POLICIES

(a) Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

(b) Turnover

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.

(c) Fixed assets

All fixed assets are initially recorded at cost.

(d) Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Fixtures & Fittings - 10 years straight-line

(e) Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

(f) 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.

(g) Cash flow statement

The directors have taken advantage of the exemption provided in the Financial Reporting Standard for Smaller Entities (effective April 2008), from including a cash flow statement in the financial statements on the grounds that the company is small

2. OPERATING PROFIT

Operating profit is stated after charging:

| | 2014 | 2013 |
|------------------------------------|--------------|--------------|
| | £ | £ |
| Directors' remuneration | - | - |
| Staff pension contributions | 1,500 | - |
| Depreciation of owned fixed assets | 1,484 | 212 |
| Auditor's fees | <u>4,500</u> | <u>4,000</u> |

The auditors performed no non-audit work during the year.

3. RECHARGE OF COSTS

The National Army Museum, the Company's ultimate parent undertaking, charged the Company at cost for all services provided to it including work done by National Army Museum staff on behalf of the Company. The charge for the period is £54,633 (2013: £41,411). National Army Museum Trading Limited also charged the National Army Museum at cost for work done by National Army Museum Trading Limited staff on behalf of the National Army Museum. The charge for the period is £28,928 (2013: £Nil).

NATIONAL ARMY MUSEUM TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2014

4. GIFT AID AND TAXATION

The Company gift aids all of its taxable profits over to its parent undertaking, which is a registered charity. Therefore no liability to corporation tax will arise on this Company's results in the current or future periods.

5. TANGIBLE FIXED ASSETS

| | Fixtures & Fittings £ |
|-----------------------------------|--------------------------|
| COST | |
| At 1 April 2013 and 31 March 2014 | <u>2,120</u> |
| DEPRECIATION | |
| At 1 April 2013 | 636 |
| Charge for the year | <u>1,484</u> |
| At 31 March 2014 | <u>2,120</u> |
| NET BOOK VALUE | |
| At 31 March 2014 | - |
| At 31 March 2013 | <u>1,484</u> |

On 1 May 2014 the National Army Museum temporarily closed to the public in order to undertake major refurbishment works. As a result an impairment review has been conducted for all the relevant assets of the group. The fixed assets of National Army Museum Trading Limited were found to be impaired and as a result additional depreciation was charged to write down the assets to their recoverable amount.

6. DEBTORS

| | 2014 £ | 2013 £ |
|--------------------------------|---------------|---------------|
| Trade debtors | 6,587 | 4,992 |
| Other debtors | 3,127 | 4,424 |
| Prepayments and accrued income | <u>907</u> | <u>1,564</u> |
| | <u>10,621</u> | <u>10,980</u> |

7. CREDITORS: Amounts falling due within one year

| | 2014 £ | 2013 £ |
|--|----------------|----------------|
| Trade creditors | 642 | 1,364 |
| Amounts owed to group undertakings | 43,526 | 58,740 |
| Gift Aid payment due to National Army Museum | 134,020 | 86,009 |
| VAT liability | 3,145 | 3,645 |
| Accruals and deferred income | <u>38,051</u> | <u>43,213</u> |
| | <u>219,384</u> | <u>192,971</u> |

NATIONAL ARMY MUSEUM TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2014

8. RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption in Financial Reporting Standard 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent undertaking.

No transactions with other related parties were undertaken such as are required to be disclosed under Financial Reporting Standard 8.

9. SHARE CAPITAL

Authorised share capital:

| | 2014 | 2013 |
|--------------------------------|------------|------------|
| | £ | £ |
| 100 Ordinary shares of £1 each | <u>100</u> | <u>100</u> |

Allotted, called up and fully paid:

| | 2014 | | 2013 | |
|------------------------------|----------|----------|----------|----------|
| | No | £ | No | £ |
| 1 Ordinary shares of £1 each | <u>1</u> | <u>1</u> | <u>1</u> | <u>1</u> |

10. PROFIT AND LOSS ACCOUNT

| | 2014 | 2013 |
|-----------------------------|----------------|--------------|
| | £ | £ |
| Balance brought forward | 1,484 | 1,696 |
| Loss for the financial year | <u>(1,484)</u> | <u>(212)</u> |
| Balance carried forward | <u>-</u> | <u>1,484</u> |

11. ULTIMATE PARENT AND 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 2014

**The following pages do not form part of the statutory financial statements
which are the subject of the independent auditor's report on page 3.**

NATIONAL ARMY MUSEUM TRADING LIMITED

DETAILED PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 MARCH 2014

| | 2014 | | 2013 | |
|--|----------------|-----------------------|----------------|----------------------|
| | £ | £ | £ | £ |
| TURNOVER | | | | |
| Museum Shop Sales | | 244,472 | | 225,806 |
| Catering Commission | | 21,510 | | 21,510 |
| Reproduction Fees | | 27,866 | | 25,401 |
| Room Hire | | 121,929 | | 122,643 |
| Kids Zone Income | | 115,881 | | 113,327 |
| Other Trading Income | | 22,955 | | — |
| | | <u>554,613</u> | | <u>508,687</u> |
| COST OF SALES | | | | |
| Opening stock | 70,512 | | 59,625 | |
| Purchases | 121,371 | | 140,212 | |
| Room Hire | 39,814 | | 38,395 | |
| | <u>231,697</u> | | <u>238,232</u> | |
| Closing stock | (44,862) | | (70,512) | |
| | | <u>186,835</u> | | <u>167,720</u> |
| GROSS PROFIT | | 367,778 | | 340,967 |
| OVERHEADS | | | | |
| Administrative staff salaries | 175,419 | | 193,274 | |
| Staff national insurance contributions | 9,518 | | 7,384 | |
| Staff pension contributions | 1,500 | | — | |
| Insurance | 1,119 | | 1,565 | |
| Repairs and maintenance | 5,038 | | 10,096 | |
| Travel and subsistence | 1,408 | | 1,284 | |
| Printing, stationery and postage | 938 | | 1,129 | |
| Staff training | 1,402 | | 1,541 | |
| Staff recruitment | — | | 5,092 | |
| Uniforms | (264) | | 1,060 | |
| Online ticketing commissions | 6,912 | | 5,644 | |
| Membership and subscriptions | 75 | | — | |
| Hospitality | 111 | | 120 | |
| Advertising | 300 | | 295 | |
| Legal and professional fees | 6,607 | | 2,628 | |
| Accountancy fees | 3,720 | | 4,640 | |
| Auditors remuneration | 4,500 | | 4,000 | |
| Depreciation of fixtures and fittings | 1,484 | | 212 | |
| Bad debts | (95) | | 2,249 | |
| Bank charges | 15,605 | | 13,005 | |
| | | <u>235,297</u> | | <u>255,218</u> |
| OPERATING PROFIT | | 132,481 | | 85,749 |
| Bank interest receivable | | 55 | | 48 |
| PROFIT ON ORDINARY ACTIVITIES | | <u>132,536</u> | | <u>85,797</u> |