

**NATIONAL ARMY MUSEUM TRADING LIMITED**  
**FINANCIAL STATEMENTS**  
**31 MARCH 2011**

**Company Registration Number 06707366**

NATIONAL ARMY MUSEUM TRADING LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2011

CONTENTS	PAGE
The directors' report	1
Independent auditor's report to the shareholders	3
Profit and loss account	4
Balance sheet	5
Notes to the financial statements	6
<b>The following page does not form part of the financial statements</b>	
Detailed profit and loss account	10

**NATIONAL ARMY MUSEUM TRADING LIMITED**

**THE DIRECTORS' REPORT**

**YEAR ENDED 31 MARCH 2011**

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 March 2011.

**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:

Mr D K Smurthwaite	
Mr D M Scott	
Mrs J A Anthony	(Appointed 22 April 2010)
Mrs J Murray	(Appointed 28 April 2010)
Mr J P F Bradley	(Appointed 1 August 2010)
Dr A J Guy	(Resigned 5 July 2010)

**RESULTS & CHARITABLE CONTRIBUTIONS**

The Company reported a trading profit of £26,636 for the period.

Profits chargeable to corporation tax are to be covenanted to the parent undertaking, a registered charity.

During the period the company made charitable contributions totalling £49,173 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 period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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 2011**

**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 MEMBERS OF**  
**NATIONAL ARMY MUSEUM TRADING LIMITED**

**YEAR ENDED 31 MARCH 2011**

I have audited the financial statements of National Army Museum Trading Limited for the year ended 31 March 2011 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).

**Respective responsibilities of directors and auditor**

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. My responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

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 I read all the financial and non-financial information in the Directors' report to identify material inconsistencies with the audited financial statements. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my report.

**Opinion on financial statements**

In my opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2011 and of its profit 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 matter prescribed by the Companies Act 2006**

In my 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.

**Matters on which I am required to report by exception**

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

- adequate accounting records have not been kept; 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
- I have not received all the information and explanations we require for my 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.

**Amanda Measures**  
**for and on behalf of the**  
**Comptroller and Auditor General (Statutory Auditor)**

**Date**

**157-197 Buckingham Palace Road**  
**Victoria**  
**London**  
**SW1W 9SP**

**NATIONAL ARMY MUSEUM TRADING LIMITED**

**PROFIT AND LOSS ACCOUNT**

**YEAR ENDED 31 MARCH 2011**

	Note	2011 £	2010 £
<b>TURNOVER</b>		<b>381,481</b>	362,264
Cost of sales		<u>198,458</u>	<u>174,625</u>
<b>GROSS PROFIT</b>		<b>183,023</b>	187,639
Administrative expenses		<u>156,458</u>	<u>136,304</u>
<b>OPERATING PROFIT</b>	<b>2</b>	<b>26,565</b>	51,335
Interest receivable		71	31
		—	—
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>26,636</b>	51,366
Tax on profit on ordinary activities	4	—	—
		—	—
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		<b>26,636</b>	51,366
Covenanted payment to the National Army Museum		<u>24,728</u>	<u>49,173</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<u><b>1,908</b></u>	<u>2,193</u>

There have been no recognised gains or losses during the year to 31 March 2011.

All income is derived from continuing activities.

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

**NATIONAL ARMY MUSEUM TRADING LIMITED**

**BALANCE SHEET**

**31 MARCH 2011**

	Note	2011	2010	
		£	£	£
<b>FIXED ASSETS</b>				
Tangible assets	5	1,908		-
<b>CURRENT ASSETS</b>				
Stocks		57,406	44,925	
Debtors	6	4,727	3,436	
Cash at bank and in hand		170,416	144,572	
		<u>232,549</u>	<u>192,933</u>	
<b>CREDITORS: Amounts falling due within one year</b>	7	<u>232,548</u>	<u>192,932</u>	
<b>NET CURRENT ASSETS</b>			<u>1</u>	<u>1</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>1,909</u>		<u>1</u>
<b>CAPITAL AND RESERVES</b>				
Called-up equity share capital	9	1		1
Profit and loss account	10	1,908		-
<b>SHAREHOLDERS' FUNDS</b>		<u>1,909</u>		<u>1</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 2011

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 invoiced during the year, 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.

2. OPERATING PROFIT

Operating profit is stated after charging:

	2011	2010
	£	£
Directors' remuneration	-	-
Depreciation of owned fixed assets	212	-
Auditor's fees	<u>4,000</u>	<u>3,000</u>

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. The charge for the period is £83,642 (2010: £61,133).

4. TAXATION

The Company is party to a deed of covenant under which all taxable profits are paid over to the 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.



NATIONAL ARMY MUSEUM TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2011

5. TANGIBLE FIXED ASSETS

	Fixtures & Fittings £
<b>COST</b>	
Additions	2,120
<b>At 31 March 2011</b>	<u>2,120</u>
<b>DEPRECIATION</b>	
Charge for the year	212
<b>At 31 March 2011</b>	<u>212</u>
<b>NET BOOK VALUE</b>	
<b>At 31 March 2011</b>	<u>1,908</u>
At 31 March 2010	<u>-</u>

6. DEBTORS

	2011 £	2010 £
Trade debtors	3,485	1,801
Other debtors	-	430
Prepayments and accrued income	1,242	1,205
	<u>4,727</u>	<u>3,436</u>

7. CREDITORS: Amounts falling due within one year

	2011 £	2010 £
Trade creditors	3,639	467
Amounts owed to group undertakings	183,758	126,480
Covenanted payment due to parent undertaking	24,728	49,173
Other taxation	8,640	7,357
Other creditors	11,783	9,455
	<u>232,548</u>	<u>192,932</u>

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.

9. SHARE CAPITAL

Authorised share capital:

	2011 £	2010 £
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

Allotted, called up and fully paid:

	2011		2010	
	No	£	No	£
1 Ordinary shares of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

NATIONAL ARMY MUSEUM TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2011

10. PROFIT AND LOSS ACCOUNT

	2011	2010
	£	£
Balance brought forward	-	(2,193)
Profit for the financial year	<u>1,908</u>	<u>2,193</u>
Balance carried forward	<u>1,908</u>	<u>-</u>

11. ULTIMATE 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 2011**

**The following page does 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 2011**

	2011		2010	
	£	£	£	£
<b>TURNOVER</b>				
Museum Shop Sales		256,708		229,615
Catering Commission		5,534		8,655
Reproduction Fees		27,702		25,186
Room Hire		<u>91,537</u>		<u>98,808</u>
		381,481		362,264
 <b>COST OF SALES</b>				
Opening stock	44,925		42,013	
Purchases	160,389		131,451	
Room Hire	<u>50,550</u>		<u>46,086</u>	
	255,864		219,550	
 Closing stock	<u>(57,406)</u>		<u>(44,925)</u>	
		<u>198,458</u>		<u>174,625</u>
 <b>GROSS PROFIT</b>		183,023		187,639
 <b>OVERHEADS</b>				
Administrative staff salaries	127,973		109,587	
Staff national insurance contributions	3,403		3,660	
Insurance	1,543		1,120	
Repairs and maintenance	3,179		4,824	
Travel and subsistence	1,003		902	
Printing, stationery and postage	4,642		2,940	
Staff recruitment	1,091		1,180	
Hospitality	289		715	
Legal and professional fees	1,059		1,384	
Accountancy fees	2,630		3,000	
Auditors remuneration	4,000		3,000	
Depreciation of fixtures and fittings	212		-	
Provision for doubtful debts	148		-	
Bank charges	<u>5,286</u>		<u>3,992</u>	
		<u>156,458</u>		<u>136,304</u>
 <b>OPERATING PROFIT</b>		26,565		51,335
 Bank interest receivable		<u>71</u>		<u>31</u>
 <b>PROFIT ON ORDINARY ACTIVITIES</b>		<u>26,636</u>		<u>51,366</u>