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NATIONAL ARMY MUSEUM TRADING LIMITED
FINANCIAL STATEMENTS
31 MARCH 2012

Company Registration Number 06707366

NATIONAL ARMY MUSEUM TRADING LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2012

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NATIONAL ARMY MUSEUM TRADING LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 MARCH 2012

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 March 2012.

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 A Anthony
Mrs J Murray
Mr J P F Bradley
Mr D K Smurthwaite
Mr D M Scott

RESULTS & CHARITABLE CONTRIBUTIONS

The Company reported a trading profit of £27,521 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 £24,728 in respect of the donation of last year's trading profit to its parent undertaking.

STATEMENT OF 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)*

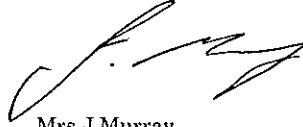
YEAR ENDED 31 MARCH 2012

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 5/2/2012

NATIONAL ARMY MUSEUM TRADING LIMITED

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

I have audited the financial statements of National Army Museum Trading Limited for the year ended 31 March 2012 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 2012 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



Matthew Kay
(Senior Statutory Auditor)
for and on behalf of the
Comptroller and Auditor General (Statutory Auditor)
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP

Date 12 JULY 2012

NATIONAL ARMY MUSEUM TRADING LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 MARCH 2012

		2012	2011 (restated)
	Note	£	£
TURNOVER		400,170	362,251
Cost of sales		<u>180,217</u>	<u>179,228</u>
GROSS PROFIT		219,953	183,023
Administrative expenses		<u>192,503</u>	<u>156,458</u>
OPERATING PROFIT	2	27,450	26,565
Interest receivable		71	71
		—	—
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		27,521	26,636
Tax on profit on ordinary activities		—	—
		—	—
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		27,521	26,636
Covenanted payment due to National Army Museum	4	<u>27,733</u>	<u>24,728</u>
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		<u>(212)</u>	<u>1,908</u>

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

NATIONAL ARMY MUSEUM TRADING LIMITED

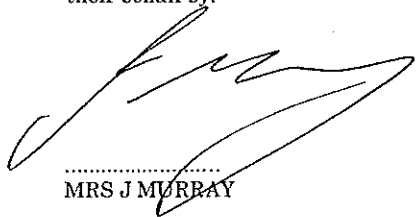
BALANCE SHEET

31 MARCH 2012

	Note	2012 £	£	2011 £	£
FIXED ASSETS					
Tangible assets	5		1,696		1,908
CURRENT ASSETS					
Stocks		59,625		57,406	
Debtors	6	8,260		4,727	
Cash at bank and in hand		105,081		170,416	
		<u>172,966</u>		<u>232,549</u>	
CREDITORS: Amounts falling due within one year	7	<u>172,965</u>		<u>232,548</u>	
NET CURRENT ASSETS			<u>1</u>		<u>1</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,697</u>		<u>1,909</u>
CAPITAL AND RESERVES					
Called-up equity share capital	9		1		1
Profit and loss account	10		1,696		1,908
SHAREHOLDERS' FUNDS			<u>1,697</u>		<u>1,909</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 5/7/2012, 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 2012

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 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 in Financial Reporting Standard No1 (Revised 1996) 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:

	2012	2011
	£	£
Directors' remuneration	-	-
Depreciation of owned fixed assets	212	212
Auditor's fees	<u>4,000</u>	<u>4,000</u>

The auditor 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 £108,698 (2011: £83,642).

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 2012

5. TANGIBLE FIXED ASSETS

	Fixtures & Fittings £
COST	
At 1 April 2011 and 31 March 2012	<u>2,120</u>
DEPRECIATION	
At 1 April 2011	212
Charge for the year	<u>212</u>
At 31 March 2012	<u>424</u>
NET BOOK VALUE	
At 31 March 2012	<u>1,696</u>
At 31 March 2011	<u>1,908</u>

6. DEBTORS

	2012 £	2011 £
Trade debtors	6,508	3,485
Other debtors	8	-
Prepayments and accrued income	<u>1,744</u>	<u>1,242</u>
	<u>8,260</u>	<u>4,727</u>

7. CREDITORS: Amounts falling due within one year

	2012 £	2011 £
Trade creditors	11,345	3,639
Amounts owed to group undertakings	105,211	183,758
Covenanted payment due to National Army Museum	27,733	24,728
Taxation and social security	6,689	8,640
Other creditors	<u>21,987</u>	<u>11,783</u>
	<u>172,965</u>	<u>232,548</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.

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:

	2012 £	2011 £
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

Allotted, called up and fully paid:

	2012		2011	
	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 2012

10. PROFIT AND LOSS ACCOUNT

	2012	2011
	£	£
Balance brought forward	1,908	-
(Loss)/profit for the financial year	(212)	1,908
Balance carried forward	<u>1,696</u>	<u>1,908</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 2012

**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 2012

	2012		2011 (restated)	
	£	£	£	£
TURNOVER				
Museum Shop Sales		273,985		256,708
Catering Commission		22,511		5,534
Reproduction Fees		29,835		27,702
Room Hire		73,839		72,307
		<u>400,170</u>		<u>362,251</u>
 COST OF SALES				
Opening stock	57,406		44,925	
Purchases	148,585		160,389	
Room Hire	33,851		31,320	
	<u>239,842</u>		<u>236,634</u>	
Closing stock	(59,625)		(57,406)	
		<u>180,217</u>		<u>179,228</u>
GROSS PROFIT		<u>219,953</u>		<u>183,023</u>
 OVERHEADS				
Administrative staff salaries	153,758		127,973	
Staff national insurance contributions	2,448		3,403	
Insurance	1,611		1,543	
Repairs and maintenance	2,803		3,179	
Travel and subsistence	1,355		1,003	
Printing, stationery and postage	1,633		4,642	
Staff recruitment	1,799		1,091	
Hospitality	742		289	
Legal and professional fees	8,181		1,059	
Accountancy fees	5,000		2,630	
Auditors remuneration	4,000		4,000	
Depreciation of fixtures and fittings	212		212	
Bad debts	2,489		148	
Bank charges	6,472		5,286	
		<u>192,503</u>		<u>156,458</u>
OPERATING PROFIT		<u>27,450</u>		<u>26,565</u>
Bank interest receivable		71		71
PROFIT ON ORDINARY ACTIVITIES		<u>27,521</u>		<u>26,636</u>