

NATIONAL ARMY MUSEUM TRADING LIMITED
FINANCIAL STATEMENTS
31 MARCH 2013

Company Registration Number 06707366

NATIONAL ARMY MUSEUM TRADING LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2013

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NATIONAL ARMY MUSEUM TRADING LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 MARCH 2013

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 March 2013.

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 £85,797 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 (2012: nil).

During the period the company made charitable contributions totalling £27,733 in respect of the donation of last year's trading profit to its parent undertaking.

FUTURE ACTIVITIES

As a result of the anticipated closure of the Chelsea site in 2014 there will be a significant reduction in the company's income and expenditure during the closure period. However, to maintain the company as a going concern the intention is to continue with some trading activities (Picture Library, Celebrity Lectures, On-line shop and Outreach activities). These activities will be supported by a small number of staff, which will reduce the current overheads considerably. The company as part of its Business Plan for closure will be required to ensure that their reserves reflect the costs of these staff prior to any gift aid payments 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 2013

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 12 July 2013

NATIONAL ARMY MUSEUM TRADING LIMITED

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

YEAR ENDED 31 MARCH 2013

I have audited the financial statements of National Army Museum Trading Limited for the year ended 31 March 2013. 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 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. My 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 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, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our 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 2013 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 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 WE ARE 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 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.

MATTHEW KAY
(Senior Statutory Auditor)
For and on behalf of
THE COMPTROLLER & AUDITOR GENERAL
(Statutory Auditor)
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP

Date:

NATIONAL ARMY MUSEUM TRADING LIMITED

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

YEAR ENDED 31 MARCH 2013

NATIONAL ARMY MUSEUM TRADING LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 MARCH 2013

	Note	2013 £	2012 £
TURNOVER		508,687	400,170
Cost of sales		<u>167,720</u>	<u>180,217</u>
GROSS PROFIT		340,967	219,953
Administrative expenses		<u>255,218</u>	<u>192,503</u>
OPERATING PROFIT	2	85,749	27,450
Interest receivable		48	71
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>85,797</u>	<u>27,521</u>
Tax on profit on ordinary activities		-	-
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		<u>85,797</u>	<u>27,521</u>
Gift Aid Payment due to National Army Museum	4	<u>86,009</u>	<u>27,733</u>
LOSS FOR THE FINANCIAL YEAR		<u>(212)</u>	<u>(212)</u>

The notes on pages 7 to 9 form part of these financial statements.

NATIONAL ARMY MUSEUM TRADING LIMITED

BALANCE SHEET

31 MARCH 2013

	Note	2013	2012
		£	£
FIXED ASSETS			
Tangible assets	5	1,484	1,696
CURRENT ASSETS			
Stocks		70,512	59,625
Debtors	6	10,980	8,260
Cash at bank and in hand		111,480	105,081
		<u>192,972</u>	<u>172,966</u>
CREDITORS: Amounts falling due within one year	7	<u>192,971</u>	<u>172,965</u>
NET CURRENT ASSETS		<u>1</u>	<u>1</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,485</u>	<u>1,697</u>
CAPITAL AND RESERVES			
Called-up equity share capital	9	1	1
Profit and loss account	10	1,484	1,696
SHAREHOLDERS' FUNDS		<u>1,485</u>	<u>1,697</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 12 July 2013, and are signed on their behalf by:

MRS J MURRAY

Company Registration Number: 06707366

The notes on pages 7 to 9 form part of these financial statements.

NATIONAL ARMY MUSEUM TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2013

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.

Income from children's soft play activities has been included in these accounts for the first time this year, having previously been recognised as income in the parent company. The total income from this activity for 2013 was £113,327 (2012 parent company: £55,425).

(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:

	2013	2012
	£	£
Directors' remuneration	-	-
Depreciation of owned fixed assets	212	212
Auditor's fees	4,000	4,000
	<u>4,212</u>	<u>4,212</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 £41,411 (2012: £108,698).

NATIONAL ARMY MUSEUM TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2013

4. 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 2012 and 31 March 2013	<u>2,120</u>
DEPRECIATION	
At 1 April 2012	424
Charge for the year	<u>212</u>
At 31 March 2013	<u>636</u>
NET BOOK VALUE	
At 31 March 2013	<u>1,484</u>
At 31 March 2012	<u>1,696</u>

6. DEBTORS

	2013 £	2012 £
Trade debtors	4,992	6,508
Other debtors	4,424	8
Prepayments and accrued income	<u>1,564</u>	<u>1,744</u>
	<u>10,980</u>	<u>8,260</u>

7. CREDITORS: Amounts falling due within one year

	2013 £	2012 £
Trade creditors	1,364	11,345
Amounts owed to group undertakings	58,740	105,211
Gift Aid Payment due to National Army Museum	86,009	27,733
Taxation and social security	3,645	6,689
Other creditors	<u>43,213</u>	<u>21,987</u>
	<u>192,971</u>	<u>172,965</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.

NATIONAL ARMY MUSEUM TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2013

9. SHARE CAPITAL

Authorised share capital:

	2013	2012
	£	£
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

Allotted, called up and fully paid:

	2013		2012	
	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

	2013	2012
	£	£
Balance brought forward	1,696	1,908
Loss for the financial year	<u>(212)</u>	<u>(212)</u>
Balance carried forward	<u>1,484</u>	<u>1,696</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 2013

The following pages do not form part of the statutory financial statements which are the subject of the independent auditor's report on pages 3 to 4.

NATIONAL ARMY MUSEUM TRADING LIMITED

DETAILED PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 MARCH 2013

	2013		2012	
	£	£	£	£
TURNOVER				
Museum Shop Sales		225,806		273,985
Catering Commission		21,510		22,511
Reproduction Fees		25,401		29,835
Room Hire		122,643		73,839
Kids Zone Income		113,327		–
		508,687		400,170
 COST OF SALES				
Opening stock	59,625		57,406	
Purchases	140,212		148,585	
Room Hire	38,395		33,851	
	238,232		239,842	
Closing stock	(70,512)		(59,625)	
		167,720		180,217
 GROSS PROFIT		340,967		219,953
 OVERHEADS				
Administrative staff salaries	193,274		153,758	
Staff national insurance contributions	7,384		2,448	
Insurance	1,565		1,611	
Repairs and maintenance	10,096		2,803	
Travel and subsistence	1,284		1,355	
Printing, stationery and postage	1,129		1,633	
Staff training	1,541		–	
Staff recruitment	5,092		1,799	
Uniforms	1,060		–	
Online ticketing commissions	5,644		–	
Hospitality	120		742	
Advertising	295		–	
Legal and professional fees	2,628		8,181	
Accountancy fees	4,640		5,000	
Auditors remuneration	4,000		4,000	
Depreciation of fixtures and fittings	212		212	
Bad debts	2,249		2,489	
Bank charges	13,005		6,472	
		255,218		192,503
 OPERATING PROFIT		85,749		27,450
Bank interest receivable		48		71
 PROFIT ON ORDINARY ACTIVITIES		85,797		27,521