Butterfly Conservation Trading Limited

Annual Report and Financial Statements

31 March 2018

Company Registration Number
07166835 (England and Wales)

Directors	Maurice Avent Dudley Cheesman Dr Susan Foden Karen Goldie-Morrison David Hanson Mike Prentice
Secretary	Julie Williams
Registered office	Manor Yard East Lulworth Wareham Dorset BH20 5QP
Company registration number	07166835 (England and Wales)
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Bankers	NatWest plc 49 South Street Dorchester Dorset DT1 1DW
Solicitors	Stone King LLP Boundary House 91 Charterhouse Street London EC1M 6HR

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Directors' report 31 March 2018

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

The company was formed on 23 February 2010 and commenced trading with effect from that date.

Principal activity and review of business

Butterfly Conservation Trading Limited is a wholly owned subsidiary of Butterfly Conservation, a registered charity, Charity Registration Nos 254937 (England and Wales) and SCO39268 (Scotland) and Company Registration Number 02206468 (England and Wales).

The company's key activities during 2017/18 included maintaining corporate agreements to promote Butterfly Conservation's work, receiving royalties on the sale of specific products and producing and selling Butterfly Conservation's 50th Anniversary calendar. Income was secured through corporate sponsorship for the Big Butterfly Count, Garden Butterfly Survey and Plant Pots for Pollinators campaigns. In addition, a partnership exists with the Natural History Book Service (NHBS) to manage and host Butterfly Conservation's online shop facility with royalties received for all items sold.

Butterfly Conservation, the parent undertaking, invoiced the company for the services of its employees and for the use of those of its assets which were utilised in the operations of Butterfly Conservation Trading Limited during the year.

The directors were satisfied with the performance of the company during the year.

Results and dividends

Turnover for the seventh period of trading amounted to £75,925 (2017 - £120,212). £44,505 of the taxable profits generated were Gift Aided to Butterfly Conservation (2017 - £62,247). Retained earnings at 31 March 2018 were £20,000 (2017 - £20,000).

The directors do not recommend the payment of a dividend.

Directors

The following directors were in office throughout the year and to the date of signing these financial statements except where shown:

Maurice Avent
Dudley Cheesman
Dr Susan Foden
Karen Goldie-Morrison
David Hanson

The directors had no interest in the shares of the company including rights to subscribe for shares at 31 March 2018 or at any time during the year (2017 - no interest).

Financial risk management

The company's operations expose it to a small number of financial risks. The company has in place a process that seeks to mitigate the effects of risk on its financial performance.

Given the size of the company, the directors have not delegated the responsibility of monitoring financial risk to a sub-committee of the board. The policies set by the board of directors are implemented by the finance department of the company's parent undertaking, Butterfly Conservation.

The principal financial risk remains the impact of the general economic conditions affecting the company's trading level and its relationship with commercial partners.

Statement of directors' responsibilities

The directors are responsible for preparing the directors' report and 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 including Financial Reporting Standard 102 Section 1A, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland. 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 these 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;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in operation.

Statement of directors' responsibilities (continued)
The directors are responsible for keeping proper 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.

Each of the directors confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

The above report has been prepared in accordance with the special provisions relating to small companies, with Financial Reporting Standard 102 and part 15 of the Companies Act 2006.

Signed on behalf of the board of directors:

D. W. Hanson

D. HANSON
Director

Approved by the board on: 14 JULY 2018

Independent auditor's report to the members of Butterfly Conservation Trading Limited

Opinion

We have audited the financial statements of Butterfly Conservation Trading Limited (the 'company') for the year ended 31 March 2018 which comprise the statement of income and retained earnings, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice) including section 1A.

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 income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- 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 directors are responsible for the other information. The other information comprises the information included in the Annual Report and Financial Statements, other than the financial statements and our auditor's report thereon. 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.

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

Matters on which we are required to report by exception (continued)

- 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 statement of directors' responsibilities, 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.

Auditor's responsibilities for the audit of the financial statements (continued)

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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.

Buzzacott LLP

Amanda Francis, Senior Statutory Auditor
for and on behalf of Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

25 July 2018

Statement of income and retained earnings Year to 31 March 2018

	Notes	2018 £	2017 £
Turnover	1	**75,925**	120,212
Cost of sales		**(7,198)**	(38,067)
Gross profit		**68,727**	82,145
Operating costs		**(24,222)**	(19,898)
Profit on ordinary activities before Gift Aid and taxation	2	**44,505**	62,247
Gift Aid	3	**(44,505)**	(62,247)
Profit on ordinary activities before taxation		**—**	—
Taxation	3	**—**	—
Profit for the financial year		**—**	—
Reconciliation of retained earnings			
Retained earnings at 1 April 2017		**20,000**	20,000
Profit for the financial year		**—**	—
Retained profits at 31 March 2018		**20,000**	20,000

All the company's activities derive from operations which continued throughout the above financial periods.

The company has no recognised gains and losses other than those shown above.

Statement of financial position 31 March 2018

	Notes	2018 £	2017 £
Current assets			
Stock		**577**	861
Debtors	4	**601**	6,591
Cash at bank and in hand		**71,440**	91,432
		72,618	98,884
Liabilities			
Creditors: amounts falling due within one year	5	**(52,617)**	(78,883)
Total net assets		**20,001**	20,001
Capital and reserves			
Called up share capital		**1**	1
Retained earnings		**20,000**	20,000
Shareholder's funds	6	**20,001**	20,001

The financial statements have been prepared in accordance with the special provisions relating to the small companies regime within Part 15 of the Companies Act 2006 and FRS 102 Section 1A.

Approved by the directors of Butterfly Conservation Trading Limited, Company Registration Number 07166835 (England and Wales), and signed on their behalf by:

D. W. Hanson

D. HANSON
Director

Approved on: 14 JULY 2018

Butterfly Conservation Trading Limited is a private limited company incorporated in England and Wales (Company Registration Number 07166835). The registered office is Manor Yard, East Lulworth, Wareham, Dorset, BH20 5QP. It is a wholly owned subsidiary of Butterfly Conservation, a registered charity (Charity Registration Number 254937 (England and Wales) and SCO39268 (Scotland)).

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are laid out below.

Basis of preparation

The financial statements have been prepared for the year to 31 March 2018 with comparative information in respect to the year to 31 March 2017.

The financial statements have been prepared in accordance with applicable United Kingdom Accounting Standards, including Financial Reporting Standard 102 Section 1A, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), and with the Companies Act 2006.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these accounts.

The financial statements are presented in sterling and are rounded to the nearest pound.

Assessment of going concern

The directors have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The directors have made this assessment in respect to a period of one year from the date of approval of these financial statements.

The directors have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The directors are of the opinion that the company will have sufficient resources to meet its liabilities as they fall due.

Critical accounting estimates and areas of judgement

Preparation of the financial statements requires the directors and management to make certain significant judgements and estimates. There have been no estimates or judgement areas to report during the financial year.

Turnover
Turnover represents income from corporate sponsorship and the sale of products. Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. It is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Expenditure recognition
Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the company to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis and excludes recoverable VAT. Expenditure comprises the direct costs associated with the delivery of the company's activities as well as general administrative support costs.

Stocks
Stocks of items for resale are recognised in the financial statements at the lower of their cost and net realisable value after making any necessary provision for obsolescence.

Debtors
Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

Cash at bank and in hand
Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

Creditors and provisions
Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the company anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

Statement of cash flows
The financial statements do not include a statement of cash flows, because the company, as a small reporting entity is exempt from the requirements to prepare such a statement under FRS 102.

Payment under Gift Aid
Any taxable profit is transferred each year under Gift Aid to the company's parent charity, Butterfly Conservation. Provision is made within creditors for the amount payable in respect of each year.

Related party transactions
The company has taken advantage of the exemption under FRS 102 not to disclose any transactions with entities that are part of the group qualifying as related parties. The consolidated financial statements in which the company is included are publicly available.

1 Turnover

Turnover and the profit on ordinary activities before Gift Aid arises from the one principal activity of the company carried out within the United Kingdom.

2 Profit on ordinary activities before Gift Aid and taxation

	2018 £	2017 £
This is stated after charging:		
Auditor's remuneration		
. Audit fees	**1,700**	1,650
. Other services – tax compliance	**920**	890

During the period, no director received any emoluments (2017 - £nil).

The company had no employees during the period and hence incurred no staff costs (2017 – no staff costs).

The key management personnel of the charity comprises the Trustees, Directors and the Senior Management. As noted above, they received no remuneration during the year (2017 - £nil).

3 Gift Aid and taxation

The company donated under Gift Aid its annual taxable profits to its ultimate parent undertaking, Butterfly Conservation (see note 8). For the year ended 31 March 2018 the donation payable amounted to £44,505 (2017 - £62,247).

Following the Gift Aid payment, the company's resultant corporation tax liability for the year is £ nil (2017 - £nil).

4 Debtors

	2018 £	2017 £
Other debtors	**601**	6,591

5 Creditors: amounts falling due within one year

	2018 £	2017 £
Amount due to parent entity under Gift Aid	**44,505**	62,247
Other amounts due to parent entity	**5,487**	4,089
Trade creditors	**5**	7
Accruals and deferred Income	**2,620**	12,540
	52,617	78,883

6 Called up share capital

	2018 £	2017 £
Authorised, called up and fully paid		
1 ordinary share of £1	**1**	1

7 Reconciliation of movements in shareholder's funds

	Share capital £	Profit and loss account £	**Total £**
Opening shareholder's funds at 1 April 2017	1	20,000	**20,001**
Profit for the financial period	—	—	—
Closing shareholder's funds at 31 March 2018	1	20,000	**20,001**

8 Ultimate controlling party

Ultimate control rests with Butterfly Conservation (Charity Registration Numbers 254937 (England and Wales) and SCO39268 (Scotland) and Company Registration No 02206468 (England and Wales)) which is the beneficial owner of 100% of the company's issued share capital.

9 Related party transactions

The financial statements do not include disclosure of transactions between the company and entities that are part of the Butterfly Conservation group. As a wholly owned subsidiary undertaking, Butterfly Conservation Trading Limited is exempt from the requirement to disclose such transactions under section 33.1A of FRS 102.

Consolidated financial statements for the group are available from the company's registered office, as listed at the beginning of this report and financial statements.