Butterfly Conservation Trading Limited

Annual Report and Financial Statements

31 March 2016

Company Registration Number 07165835 (England and Wales)
Directors
Maurice Avent
Dudley Cheesman
David Hanson
Alan Martin

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
2 North Street
Wareham
Dorset
BH20 4AL

Solicitors
Stone King LLP
Boundary House
91 Charterhouse Street
London
EC1M 6HR

Butterfly Conservation Trading Limited
## Contents

### Reports
- Directors' report 1
- Independent auditor's report 4

### Financial statements
- Statement of income and retained earnings 6
- Statement of financial position 7
- Principal accounting policies 8
- Notes to the financial statements 11
Directors' report 31 March 2016

The directors present their report together with the financial statements of the company for the year ended 31 March 2016.

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 principal activity during the year under review was maintaining affinity partnerships, which promote Butterfly Conservation through the sale of their products, sales of products through an online shop and sponsorship of Big Butterfly Count.

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 fifth period of trading amounted to £83,284 (2015 - £186,887). £11,181 of the taxable profits generated were gift aided to Butterfly Conservation. Retained earnings at 31 March 2016 were £20,000 (2015 - £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:

Maurice Avent
Dudley Cheesman
David Hanson
Alan Martin

The directors had no interest in the shares of the company including rights to subscribe for shares at 31 March 2016 or at any time during the year (2015 - 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.

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.
Statement of directors' responsibilities (continued)
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 ought to have taken as a director in order to make himself 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:

[Signature]

David Hanson
Director

Approved by the board on: 23 June 2016
Independent auditor's report to the members of Butterfly Conservation Trading Limited

We have audited the financial statements of Butterfly Conservation Trading Limited for the year ended 31 March 2016, which comprise the statement of income and retained earnings, the balance sheet, the principal accounting policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.

This report is made solely to the company's member 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 member those matters we are required to state to it 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 member, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the directors' responsibilities statement set out in the directors' report, 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 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 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.
Independent auditor's report 31 March 2016

Opinion on 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 2016 and of its profit 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.

Opinion on other matter prescribed by the Companies Act 2006
In our opinion the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements. Also in our opinion, in light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have identified no material misstatements in the directors' 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 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 take advantage of the small companies exemption in preparing the directors' report and to take advantage of the small companies exemption from the requirement to prepare a strategic report.

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

27 July 2016
Statement of income and retained earnings Year to 31 March 2016

<table>
<thead>
<tr>
<th></th>
<th>Notes</th>
<th>2016 £</th>
<th>2015 £</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turnover</td>
<td>1</td>
<td>83,284</td>
<td>186,887</td>
</tr>
<tr>
<td>Cost of sales</td>
<td></td>
<td>(46,349)</td>
<td>(60,591)</td>
</tr>
<tr>
<td>Gross profit</td>
<td></td>
<td>36,935</td>
<td>126,296</td>
</tr>
<tr>
<td>Operating costs</td>
<td></td>
<td>(25,754)</td>
<td>(36,015)</td>
</tr>
<tr>
<td>Profit on ordinary activities before Gift Aid and taxation</td>
<td>2</td>
<td>11,181</td>
<td>90,281</td>
</tr>
<tr>
<td>Gift Aid</td>
<td>3</td>
<td>(11,181)</td>
<td>(79,878)</td>
</tr>
<tr>
<td>Profit on ordinary activities before taxation</td>
<td></td>
<td></td>
<td>10,403</td>
</tr>
<tr>
<td>Taxation</td>
<td>3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit for the financial year</td>
<td></td>
<td></td>
<td>10,403</td>
</tr>
</tbody>
</table>

Reconciliation of retained earnings
- Retained earnings at 1 April 2015: 20,000 £, 9,597 £
- Profit for the financial year: —, 10,403 £
- Retained profits at 31 March 2016: 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 2016

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Notes</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stock</td>
<td>524</td>
<td>670</td>
</tr>
<tr>
<td>Debtors</td>
<td>4</td>
<td>8,152</td>
</tr>
<tr>
<td>Cash at bank and in hand</td>
<td>128,145</td>
<td>72,625</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>132,821</td>
<td>158,220</td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Creditors: amounts falling due within one year</td>
<td>5</td>
<td>(112,820)</td>
</tr>
<tr>
<td><strong>Total net assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>20,001</td>
<td>20,001</td>
</tr>
</tbody>
</table>

**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:

[Signature]

David Hanson
Director

Approved on: 23 July 2016
Principal accounting policies 31 March 2016

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 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. This is the first year in which the financial statements have been prepared under FRS 102.

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.
Principal accounting policies 31 March 2016

Reconciliation with previous Generally Accepted Accounting Practice
The company has adopted FRS 102 Section 1A for the first time this year (with effect from 1 April 2015) and the directors have considered whether in applying the accounting policies required by FRS 102 Section 1A a restatement of comparative items was needed. No restatements were required.

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.
Principal accounting policies 31 March 2016

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.

Cash flow statement
The financial statements do not include a cash flow statement, 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.
Notes to the financial statements 31 March 2016

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

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>(</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Auditor's remuneration</td>
<td></td>
<td></td>
</tr>
<tr>
<td>. Audit fees</td>
<td>1,600</td>
<td>1,600</td>
</tr>
<tr>
<td>. Other services – tax compliance</td>
<td>870</td>
<td>825</td>
</tr>
</tbody>
</table>

During the period, no director received any emoluments (2015 - £nil).

The company had no employees during the period and hence incurred no staff costs (2015 – no staff costs).

The directors consider that they comprise the key management personnel of the company in charge of directing and controlling, running and operating the company on a day to day basis. As noted above, they received no remuneration during the year (2015 - £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 2016 the donation amounted to £11,181 (2015 - £79,878).

Following the Gift Aid payment, the company’s resultant corporation tax liability for the year is £nil (2015 - £nil).

Deferred taxation has not been provided for in these financial statements because the directors do not consider it to have a material impact. Unprovided deferred tax assets in 2016 amount to £nil (2015: £nil).

4 Debtors

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>(</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other debtors</td>
<td>6,152</td>
<td>84,925</td>
</tr>
</tbody>
</table>

Butterfly Conservation Trading Limited 11
5 Creditors: amounts falling due within one year

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount due to parent entity under Gift Aid</td>
<td>11,181</td>
<td>79,878</td>
</tr>
<tr>
<td>Other amounts due to parent entity</td>
<td>13,815</td>
<td>14,903</td>
</tr>
<tr>
<td>Trade creditors</td>
<td>288</td>
<td>159</td>
</tr>
<tr>
<td>Accruals and deferred income</td>
<td>87,536</td>
<td>43,279</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>112,820</strong></td>
<td><strong>138,219</strong></td>
</tr>
</tbody>
</table>

6 Called up share capital

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Authorised, called up and fully paid</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 ordinary share of £1</td>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>

7 Reconciliation of movements in shareholder’s funds

<table>
<thead>
<tr>
<th></th>
<th>Share capital £</th>
<th>Profit and loss account £</th>
<th>Total £</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening shareholder’s funds at 1 April 2015</td>
<td>1</td>
<td>20,000</td>
<td>20,001</td>
</tr>
<tr>
<td>Profit for the financial period</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Closing shareholder’s funds at 31 March 2016</td>
<td>1</td>
<td>20,000</td>
<td>20,001</td>
</tr>
</tbody>
</table>

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.