

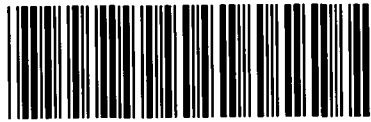
Scout Shops Limited

Registered number: 1101498

Directors' report and financial statements

For the year ended 31 March 2018

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SCOUT SHOPS LIMITED

COMPANY INFORMATION

Directors
M.W.Bryant - Chairman
B.Chatburn
E.Henrikson
M.E.J.Hislop
M.T.Hyde
M.J.Taylor

Secretary K.J.Peters

Company number 1101498

Registered office
75 Marlborough Rd
Lancing Business Park
Lancing
West Sussex
BN15 8UG

Auditors
BDO LLP
2nd Floor
2 City Place
Beehive Ring Road
Gatwick
West Sussex
RH6 OPA

Bankers
Barclays Bank PLC
1 Churchill Place
London
E14 5HP

SCOUT SHOPS LIMITED

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SCOUT SHOPS LIMITED

STRATEGIC REPORT

The directors present their strategic report for the year ended 31 March 2018.

Review of the business

The Company reports a further year of strong profit against a backdrop of challenging sales. Scout Shops designed, sourced and supplied a range of merchandise including new sectional apparel, Fleur Dis Lis casualwear and Heritage casualwear expanding our offer and incorporating a new pricing architecture. In addition, the supply chain has been reviewed and our cost prices for uniform will reduce significantly in the next financial year after extensive negotiations.

Bearing in mind the challenging sales environment the result was exceptional as a result of margin performance, prudent cost management, stock management and commitment of the experienced Scout Shops' staff.

The primary product groups distributed by the Company continue to be Scout uniform, publications, badges, souvenirs and camping equipment.

The key financial and other performance indicators during the year were as follows:

	2018	2017	Change %
Turnover	7,452,917	7,944,518	-6.2%
Operating profit	3,090,799	3,025,539	2.2%
Gross profit %	54.7%	53.4%	1.3%
Net current assets	59,885	216,474	-72.3%
Average number of employees	40	39	2.6%

Turnover decreased by -6.2% compared to 2017 primarily due to the prior year supply of merchandise to support Scouting anniversaries and the Queen's 90th birthday celebrations. The net current asset reduction is related to investment in leading edge digital technologies which will benefit the business in the future.

Moving forward the Company will continue to invest in digital technologies with the objectives of improving the customer experience and increasing turnover.

Financial Risk Management

The company's operations expose it to a variety of financial risks that include price risk, credit risk, liquidity and cash flow risk.

Principal risks and uncertainties

Price Risk

The U S Dollar rate against sterling dropped significantly post the Brexit referendum. The Scout Shops supply chain is heavily dependent upon U S Dollars for imports. During the year U S Dollar rates have seen a gradual improvement although still remaining considerably lower than those experienced prior to the Brexit vote. The Company prudently budgets for U S Dollar rates and makes purchases when the U S Dollar rate is favourable. The Company will continue to monitor U S Dollar exchange rates closely throughout 2018 to assess the affects on the business.

SCOUT SHOPS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2018 (continued)

Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company is mainly exposed to credit risk from credit sales.

The Company requires that appropriate credit checks are carried out on new customers before sales are made. If appropriate information is not readily available the Company will request payment in advance for first order. All customers have individual credit limits that are reviewed on an ongoing basis. In the normal course of business credit risk is spread across a wide range of customers with low debt concentrations.

Credit risk also arises from cash and cash equivalents and deposits with banks and financial institutions. For bank deposits only independently rated parties with minimum of rating "A" are accepted.

Liquidity and Cash Flow Risk

The main liquidity challenge for the business relates to the level of payments due under a deed of covenant to the parent charity during the period to December 2018. A strong level of trading is required in order to service the deed of covenant requirements in the forthcoming year or the Company may incur corporation tax liabilities.

This strategic report was approved by order of the Board on:

M.E.J.Hislop
Director



Date:

22/6/18

SCOUT SHOPS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2018

The directors present their report and the financial statements for the year ended 31 March 2018.

Principal activities

Scout Shops Limited was principally engaged in supporting the parent charity, The Scout Association, via trading, marketing, sale and distribution of merchandise. The business remained predominantly focussed upon serving the needs of the Scouting community.

Future developments

Scout Shops Limited continues to explore a variety of opportunities to support the strategic objectives of The Scout Association and to deliver sales growth within core item groups.

The Company has elected to serve notice upon the uniform licensee and appoint another business as licensee during 2018. A direct benefit in uniform sales and margin is expected as a result of this decision.

The Company has secured a supply contract with a major U.K. high street retail customer. Scout Shops Ltd will provide uniform and non-uniform products which is viewed as a significant development. This is the first occasion that the Company has secured a contract with a leading U.K. retailer.

The Company has invested in new digital technologies which will launch during 2018 to support the direct to customer retail growth of the business. Scout Shops will also supply and support sales channels including independent high street retailers, District Scout Shops, Centres of Excellence and Scout Adventure Centres.

Full support will be maintained for the Scout wholesale distribution network (including District Scout Shops) whereby Scout Shops delivers circa £1 Million of funding annually to local Scouting via wholesale discounts.

Results

Operating profit for the year amounted to £3,090,799 (2017: £3,025,539) before Deed of Covenant payments to The Scout Association, interest receivable and taxation.

Directors

The directors who served during the year were:

M. Bryant	M.E.J. Hislop
B. Chatburn	M.T. Hyde
E. Henrikson	M.J. Taylor

J. Bharth was appointed between 20/12/2017 and the 13/01/2018.

No right to subscribe for shares in or debentures of the entity or any body corporate in the same group was granted or exercised during the year, to any director (including those of any spouse and infant children).

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

SCOUT SHOPS LIMITED

DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2018

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 the profit and loss for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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.

Auditors

The auditors, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Statement of disclosure to auditor

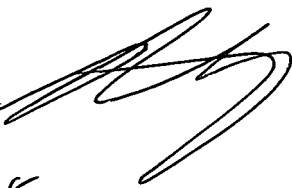
Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- each director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

This report was approved by the board and signed on its behalf.

M.E.J. Hislop
Director

22/6/18



SCOUT SHOPS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF SCOUT SHOPS LIMITED

Opinion

We have audited the financial statements of Scout Shops Limited ("the Company") for the year ended 31 March 2018 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. 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).

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 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.

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, 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.

SCOUT SHOPS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF SCOUT SHOPS LIMITED (continued)

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 Strategic report and Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and Directors' report have 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 Strategic report and Director's 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
- we have not received all the information and explanations we require for our audit.

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

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.

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.

SCOUT SHOPS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF SCOUT SHOPS LIMITED (continued)

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

BDO LLP

Fiona Condron (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
Gatwick

Date *20 July 2018*

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

SCOUT SHOPS LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2018

	Notes	2018 £	2017 £
Turnover	1,2	7,452,917	7,944,518
Cost of sales		(3,378,918)	(3,698,545)
Gross profit		<u>4,073,999</u>	<u>4,245,973</u>
Distribution costs		(815,042)	(822,507)
Administrative expenses		(684,191)	(903,805)
Other operating income		516,033	505,878
Operating profit	3	<u>3,090,799</u>	<u>3,025,539</u>
Other interest receivable and similar income		-	1,435
Profit on ordinary activities before taxation		<u>3,090,799</u>	<u>3,026,974</u>
Tax credit on profit on ordinary activities	5	43,535	12,560
Profit for the year and total comprehensive income for the year		<u>3,134,344</u>	<u>3,039,534</u>

There were no recognised gains and losses for 2018 or 2017 other than those included in the Statement of Comprehensive Income.

The notes on pages 11 to 19 form part of these financial statements.

SCOUT SHOPS LIMITED

BALANCE SHEET AS AT 31 MARCH 2018

Company number: 1101498


		2018	2017
		£	£
Fixed assets			
Intangible fixed assets	6	149,013	-
Tangible fixed assets	7	104,603	53,492
Fixed asset investments	8	2	2
		<u>253,618</u>	<u>53,494</u>
Current assets			
Stocks	9	540,684	539,523
Debtors	10	515,212	723,697
Cash and cash equivalents		<u>1,961,150</u>	<u>1,902,940</u>
		3,017,046	3,166,160
Creditors: amounts falling due within one year	11	<u>(2,957,161)</u>	<u>(2,949,686)</u>
Net current assets		59,885	216,474
Total assets less current liabilities		<u>313,503</u>	<u>269,968</u>
Capital and reserves			
Called up share capital	12	200,000	200,000
Retained earnings	13	<u>113,503</u>	<u>69,986</u>
Shareholder's funds		<u>313,503</u>	<u>269,986</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf

The notes on pages 11 to 19 form part of these financial statements.

M.E.J.Hislop
Director

Date


22/06/18

SCOUT SHOPS LIMITED

STATEMENT OF CHANGES IN EQUITY AS AT 31st MARCH 2018

		Equity Share Capital £	Retained Earnings Reserve £	Total Equity £
Balance at 1st April 2016		200,000	57,408	257,408
Total comprehensive income		-	3,039,534	3,039,534
Gift aid - The Scout Association	4	-	(3,026,974)	(3,026,974)
Balance at 31st March 2017		200,000	69,986	269,986
Balance at 1st April 2017		200,000	69,986	269,986
Profit for the year		-	3,134,334	3,134,334
Deed of Covenant - The Scout Association	4	-	(3,090,799)	(3,090,799)
Balance at 31st March 2018		200,000	113,503	313,503

SCOUT SHOPS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

1. Accounting policies

1.1 Basis of preparation of financial statements

Scout Shops Ltd is a company incorporated in England and Wales under the Companies Act. The address of the registered office is given on the contents page and the nature of the Company's operations and its principal activities are set out in the strategic report. The financial statements have been prepared in accordance with FRS102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.

In preparing the separate financial statements of the Company, being a wholly owned subsidiary of The Scout Association, has taken advantage of the following disclosure exemptions available in FRS102:

- No cash flow statement has been presented for the company.

1.2 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied, exclusive of Value Added Tax and trade discounts. Turnover is recognised at the point goods are despatched to customers or services provided.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following basis:

Motor Vehicles	-	25/33%	p.a. straight line
Furniture, fittings and equipment	-	20/33%	p.a. straight line
IT Equipment and software	-	20/25%	p.a. straight line

1.4 Intangible assets and amortisation

Intangible fixed assets are stated at cost less amortisation. Amortisation is provided at rates calculated to write off the cost over the term of the related contract on the following basis:

Intangible assets - web sites	-	33%/50%	p.a. straight line
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1.5 Investments

Investments in subsidiaries are valued at cost less provision for impairment.

1.6 Leasing and hire purchase

Rentals under operating leases are charged on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

1.7 Stocks

Stocks are valued at the lower of cost and estimated selling price after making due allowance for obsolete and slow-moving stocks. Cost is calculated using the current purchase price method and

SCOUT SHOPS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 MARCH 2018

1. Accounting policies (continued)

consists of the original cost of goods without any addition for overheads.

1.8 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the period in accordance with FRS 102.

1.9 Deferred taxation

Deferred taxation is provided to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for in respect of all material timing differences.

1.10 Financial instruments

The Company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

1.11 Foreign currencies

Transactions denominated in foreign currency are translated into sterling and recorded at the rate of exchange ruling at the date of the transaction. Differences arising on the translation of such items are dealt with in statement of comprehensive income.

1.12 Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements the directors have made the following judgements:

- Determine whether the company has sufficient cash, and will generate sufficient cash surpluses from trading, to enable it to make qualifying charitable donations to its parent charity within nine months of the year-end. A tax liability would arise if the Company was unable to make payments within this time period. Based on budgets for 2018/2019 the Company is expected to generate sufficient cash surpluses from trading within 9 months of the year-end and as a result no tax has been recognised in relation to profits relieved by the Company's qualifying charitable donation payable to The Scout Association.
- Provisioning for slow moving and obsolete stock. The stock is aged based on item stock levels versus volume of sales in the last 12 months. The provision is then reviewed to ensure accuracy and any appropriate adjustments are manually entered as part of the computation.

2. Turnover

The total turnover of the company for the period has been derived from its principle activity. 99% of this activity is undertaken in the United Kingdom (2017: 99%) and the remaining 1% across the rest of the world (2017: 1%).

SCOUT SHOPS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 MARCH 2018

3. Operating profit

The operating profit is stated after charging/(crediting):

	2018 £	2017 £
Amortisation of intangible assets	8,312	-
Depreciation of tangible fixed assets:		
- owned by the company	28,626	29,241
Auditors' remuneration	10,900	10,900
Operating lease rentals		
- plant and machinery	4,504	3,261
- other assets	68,333	70,000
Profit/(loss) on foreign exchange transactions	(3,581)	(836)
Auditor's remuneration - Other services	<u>2,000</u>	<u>2,000</u>

4. Donations - The Scout Association

	2018 £	2017 £
Donations	<u>3,090,799</u>	<u>3,026,974</u>

During the year to March 2017 donations were payable to TSA under the Gift Aid Scheme. The 2018 donations are payable under a signed Deed of Covenant authorised by the Board of Directors.

SCOUT SHOPS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 MARCH 2018

5. Taxation

	2018 £	2017 £
Analysis of tax charge/(credit) for the period		
<i>Current tax</i>		
UK corporation tax at 19% (2017: 20%)	82,811	129,690
Adjustments in respect of previous periods	(129,690)	(142,250)
Total current tax charge/(credit)	(46,879)	(12,560)
<i>Deferred tax</i>		
Origination and reversal of timing differences	3,344	-
Tax on profit on ordinary activities	(43,535)	(12,560)
Provision for deferred tax		
Accelerated capital allowances	7,705	-
Short term timing differences	(4,361)	-
Total deferred tax liability	3,344	-
Provision for deferred tax		
<i>Movement in provision:</i>		
Provision at start of period	-	-
Deferred tax charged in the Statement of Comprehensive Income for the period	3,344	-
Provision at end of period	3,344	-
Reconciliation of tax charge		
Profit on ordinary activities before tax	3,090,799	3,026,974
Tax on profit on ordinary activities at standard CT rate of 19% (2017: 20%)	587,252	605,395
<i>Effects of:</i>		
Adjustment to tax charge in respect of previous periods	(129,690)	(142,250)
Adjust closing deferred tax to average rate of 19%	(393)	-
Adjust opening deferred tax to average rate of 19%	9,110	-
Deferred tax not recognised	77,438	129,690
Qualifying charitable donation charged in the statement of changes in equity - year ended 31 March 2017	(123,206)	(138,532)
Qualifying charitable donation charged in the statement of changes in equity - year ended 31 March 2018	(464,046)	(466,863)
Tax charge/(credit) for the period	(43,535)	(12,560)

SCOUT SHOPS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 MARCH 2018

6. Intangible Fixed Asset

	IT software £
Cost	
At 1 April 2017	-
Additions	157,325
Disposals	-
At 31 March 2018	<u>157,325</u>
Amortisation	
At 1 April 2017	-
Charge for the year	8,312
On disposals	-
At 31 March 2018	<u>8,312</u>
Net book Value	
At 31 March 2018	<u><u>149,013</u></u>
At 31 March 2017	<u><u>-</u></u>

SCOUT SHOPS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 MARCH 2018

7. Tangible fixed assets	Motor Vehicles	Furniture, fittings and equipment	IT Equipment	Total
	£	£	£	£
Cost				
At 1 April 2017	14,500	162,039	1,004,525	1,181,064
Additions	-	31,266	48,471	79,737
Disposals	(14,500)	-	-	(14,500)
At 31 March 2018	-	193,305	1,004,525	1,246,300
Depreciation				
At 1 April 2017	14,500	126,073	986,998	1,127,572
Charge for the year	-	16,765	11,860	28,626
On disposals	(14,500)	-	-	(14,500)
At 31 March 2018	-	142,839	998,858	1,141,697
Net book Value				
At 31 March 2018	-	50,466	54,137	104,603
At 31 March 2017	-	35,965	17,527	53,492

8. Fixed asset investment	Shares in group undertakings
	£
Cost or valuation	
At 1 April 2017 and 31 March 2018	2

The unlisted shares above represent a 100% interest in the issued share capital of Outdoors Limited, which is registered in England & Wales. The company did not trade during the year

9. Stocks	2018	2017
	£	£
Finished goods and goods for resale	540,684	539,523

SCOUT SHOPS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 MARCH 2018

10. Debtors	2018 £	2017 £
Trade debtors	330,669	471,557
Amounts owed by parent charity	112,836	169,740
Other debtors	17,563	44,324
Prepayments and accrued Income	54,144	38,076
	<u>515,212</u>	<u>723,697</u>

11. Creditors: amounts falling due within one year	2018 £	2017 £
Trade creditors	487,448	761,381
Amounts owed to group undertakings	2,044,757	1,614,483
Social security and other taxes	178,297	202,807
Other creditors	-	5,247
Accruals and deferred income	246,659	365,768
	<u>2,957,161</u>	<u>2,949,686</u>

Included in trade creditors are amounts due in respect of goods for which title does not pass until payment is made.

12. Financial Instruments

Scout Shops Ltd only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

13. Share capital

	2018 £	2017 £
Allotted, called up and fully paid		
200,000 Ordinary shares of £1 each	<u>200,000</u>	<u>200,000</u>

14. Reserves

Retained Earnings: This reserve represents all comprehensive income and transactions with the parent charity.

SCOUT SHOPS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 MARCH 2018

15. Pension commitments

All of the staff of the company are employed by its parent charity, The Scout Association. A number of the permanent members of staff are members of The Scout Association Pension Scheme. This is a contributory funded defined benefit scheme which was available to all eligible members of staff, but is now closed to new members. The scheme funds are administered by Trustees and are independent of The Scout Association and the company's finances. The employer's contributions, which are paid to the fund in accordance with the recommendations of the Scheme's independent actuaries, are charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the company as disclosed below.

The Scheme falls to be accounted for as a multi-employer scheme as defined in Financial Reporting Standard 102 "Retirement benefits" as the company is unable to identify the share of the underlying assets and liabilities in the scheme relating to its staff on a consistent and reasonable basis. All participating employers are part of the group, but the share attributable to Scout Shops Ltd cannot be identified. Hence, recognised as a defined contribution scheme in these accounts but a defined benefits scheme in the group accounts. As a result the scheme is accounted for as if it were a defined contribution pension scheme, as required by Financial Reporting Standard 102. Pension payments recognised as an expense during the year amount to £70,606 (2017: £86,266).

Contributions towards individual defined contribution personal pension schemes were also made in respect of certain members of staff, these schemes are administered by The Scout Association. Further details of both schemes can be found in the financial statements of The Scout Association.

The pension costs charged in the financial statements represents the contributions payable by the company during the period as described in note 5.

16. Financial commitments

At 31 March 2018 the company had minimum lease commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2018 £	2017 £
Expiry date:		
Within 1 Year	<u>70,000</u>	<u>70,000</u>

17. Directors' emoluments

	2018 £	2017 £
Emoluments for qualifying services	<u>-</u>	<u>-</u>
Company pension contributions	<u>-</u>	<u>-</u>

The company structure includes a General Manager as the head of the Company. Strategic support is provided by the Commercial Director of the parent charity, The Scout Association. Directors' emoluments are therefore not incurred.

SCOUT SHOPS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 MARCH 2018

18. Employees

Staff costs, including directors' remuneration, were as follows:

	2018 £	2017 £
Wages and salaries	1,047,966	1,060,979
Social security costs	92,736	101,819
Other pension costs	70,606	86,266
	<u>1,211,308</u>	<u>1,249,064</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2018 No.	2017 No.
Management & administration	7	7
Distribution centre	13	12
Buying	8	9
Sales	12	11
	<u>40</u>	<u>39</u>

19. Control

The ultimate controlling party is The Scout Association. The Scout Association exists by the authority of a Royal Charter and is a registered charity. The Scout Association owns 100% of the share capital of the company. Group accounts are available from Gilwell Park, Chingford, London, E4 7QW.

Scout Shops Limited donates to The Scout Association in accordance with a Deed of Covenant each year a sum based on the profits of the company for corporation tax purposes.

20. Related party transactions

The company has taken advantage of the exemption conferred by Financial Reporting Standard 102 from the requirement to make disclosures concerning related parties within the group on the grounds that consolidated financial statements, in which Scout Shops Limited figures are included, are publicly available.

Key management personnel include all directors and a number of senior managers who together have authority and responsibility for planning, directing and controlling the activities of the Company. The total compensation paid to key management personnel for services provided to Scout Shops Ltd was £272,607 (2017 - £322,317).