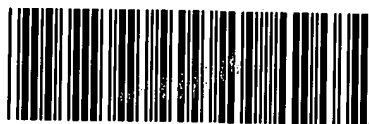


**THE CHILDREN'S SOCIETY (TRADING) LIMITED**

**REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023**

**Registered No. 885496**

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## **THE CHILDREN'S SOCIETY (TRADING) LIMITED**

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## **THE CHILDREN'S SOCIETY (TRADING) LIMITED DIRECTORS' REPORT**

The directors present their report and the financial statements for the year ended 31 March 2023.

### **PRINCIPAL ACTIVITY**

The principal activity of the company is commercial activity to raise funds for its parent charity, The Church of England Children's Society.

A profit before tax of £41,000 (2022: £100,000) was made and will be paid as a gift to The Church of England Children's Society.

The directors during the year were:

A C Gillies

E A Walker

S Olowookere (appointed 30 March 2023)

No director has any beneficial interest in the shares of the company at 31 March 2023

The directors have benefited from qualifying third-party indemnity provisions in place during the financial year and at the date of this report.

### **PROVISION OF INFORMATION TO AUDITORS**

The directors who held office at the date of approval of this report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditors are unaware; and each director has taken all the steps that they ought to have taken as directors to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

## **THE CHILDREN'S SOCIETY (TRADING) LIMITED**

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS**

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102, The Financial Reporting Standard applicable in the UK and 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 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 estimates that are reasonable and prudent;
- state whether applicable UK 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 its activities.

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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

### **GOING CONCERN**

The accounting policies of The Children's Society include the preparation of the accounts on the assumption that the Society will be a going concern for the 18-month period from the date of signing of the accounts. We have extended the view from 12 months due to the uncertain environment within the sector and the economy in general. The auditors require the Directors to represent formally that they have considered the factors that influence this and concluded that the going concern basis of preparation is appropriate.

### **SMALL COMPANIES NOTE**

In preparing this report, the Directors have taken advantage of the small companies' exemption provided by section 415A of the Companies Act 2006.

## AUDITORS

Haysmacintyre LLP will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

By order of the Board

*Chris Gillies*

A C Gillies  
Director

Date: 8 August 2023

**Address of registered office**

Whitecross Studios  
50 Banner  
Street  
London EC1Y 8ST  
Co Registration: 885496

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE CHILDREN'S SOCIETY (TRADING) LIMITED**

### **Opinion**

We have audited the financial statements of The Children's Society (Trading) Limited (the 'company') for the year ended 31 March 2023 which comprise the Profit and Loss account, Balance sheet 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 group's and of the parent charitable company's affairs as at 31 March 2023 and of the group's and parent charitable company's net movement in funds, including the 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 group 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**

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or the parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE CHILDREN'S SOCIETY (TRADING) LIMITED (continued)**

### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the Children's Society Annual Report/other title and the Chair's introduction. 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 Annual Report (which includes the strategic report and the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Annual 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 group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Annual Report (which incorporates the strategic report and 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 by the parent charitable company; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees 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 trustees' report and from the requirement to prepare a strategic report.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE CHILDREN'S SOCIETY (TRADING) LIMITED (continued)**

### **Responsibilities of trustees for the financial statements**

As explained more fully in the trustees' responsibilities statement set out on page 4, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 trustees 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 trustees are responsible for assessing the group's and the parent charitable 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 trustees either intend to liquidate the group or the parent charitable 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the group and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the regulatory requirements of the Charity Commission, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, the Charities Act 2011, and the Statement of Recommended Practice for Charities (SORP).

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE CHILDREN'S SOCIETY (TRADING) LIMITED (continued)**

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the potential posting of inappropriate journal entries and management bias in certain areas of management estimate. Audit procedures performed by the engagement team included:

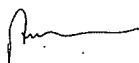
- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Review of minutes of meetings to identify expected material amounts of voluntary income;
- Identifying and testing journals, using data analytics to focus testing on higher risk entries; and
- Challenging assumptions and judgements made by management in their critical accounting estimates.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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](http://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 charitable 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 charitable 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 charitable company and the charitable company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Adam Halsey (Senior Statutory Auditor)  
For and on behalf of Haysmacintyre LLP  
Statutory Auditor  
Date: 12 September 2023

10 Queen Street Place  
London  
EC4R 1AG

**THE CHILDREN'S SOCIETY (TRADING) LIMITED**  
**STATEMENT OF INCOME AND RETAINED EARNINGS**  
**FOR THE YEAR ENDED 31 MARCH 2023**

		<b>2023</b>	<b>2022</b>
	<b>Notes</b>	<b>£000</b>	<b>£000</b>
Turnover	<b>2</b>	214	230
Cost of sales		(171)	(129)
Gross profit		43	101
Administrative expenses	<b>3,4</b>	(2)	(1)
Profit on ordinary activities before taxation		41	100
Taxation		–	–
<b>Profit for the year</b>		<b>41</b>	<b>100</b>

All of the company's trading is in respect of continuing operations.

The company has no recognised gains and losses other than the profit above and therefore no separate statement of total recognised gains and losses has been presented.

The notes on pages 13 to 16 form part of the financial statements.

**THE CHILDREN'S SOCIETY (TRADING) LIMITED**  
**BALANCE SHEET AS AT 31 MARCH 2023**

		<b>2023</b>	<b>2022</b>
	<b>Note</b>	<b>£000</b>	<b>£000</b>
<b>Current Assets</b>			
Debtors	<b>5</b>	29	69
Cash at bank and in hand		110	31
		<u>139</u>	<u>100</u>
<b>Current liabilities</b>			
Creditors - amounts falling due within one year	<b>6</b>	(139)	(100)
		<u>-</u>	<u>-</u>
<b>Net current assets</b>		<u>-</u>	<u>-</u>
<b>Total assets less current liabilities</b>		<u>-</u>	<u>-</u>
<b>Net assets</b>		<u>-</u>	<u>-</u>
<b>Capital and reserves</b>			
Called up share capital	<b>7</b>	-	-
Profit and loss account		-	-
		<u>-</u>	<u>-</u>
<b>Total funds</b>		<u>-</u>	<u>-</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 section 1A - small entities.

These financial statements were approved by the board of directors on 8 August 2023 and were signed on its behalf by:

*Chris Gillies*

**A C Gillies**  
Director

Co Registration: 885496

The notes on pages 13 to 16 form part of the financial statements.

**THE CHILDREN'S SOCIETY (TRADING) LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 MARCH 2023**

	<b>Share Capital £000</b>	<b>Profit and Loss Account £000</b>	<b>Total £000</b>
Shareholders' funds at 1 April 2021	–	–	–
Profit for the year ended 31 March 2022	–	100	100
Donation to parent under Gift Aid	–	(100)	(100)
Shareholders' funds at 31 March 2022	<u>–</u>	<u>–</u>	<u>–</u>
Profit for the year ended 31 March 2023	–	41	41
Donation to parent under Gift Aid	–	(41)	(41)
Shareholders' funds at 31 March 2023	<u><u>–</u></u>	<u><u>–</u></u>	<u><u>–</u></u>

**THE CHILDREN'S SOCIETY (TRADING) LIMITED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023**  
**NOTES TO THE FINANCIAL STATEMENTS**

**1 ACCOUNTING POLICIES**

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, in accordance with section 1A of Financial Reporting Standard 102, The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland, and with the Companies Act 2006.

The Directors have reviewed The Children's Society (Trading) Limited's financial position, considering the impact of future activities for the 18 months from the date the accounts are signed, to ensure it is appropriate to produce the accounts on a going concern basis. The directors consider the use of the going concern basis of accounting is appropriate because there are no material uncertainties related to events or conditions that may cast significant doubt about the ability of the company to continue as a going concern.

**General information**

The company is registered in England and Wales with registration number 885496.  
The company's registered office is:

Whitecross Studios  
50 Banner Street  
London  
EC1Y 8ST

The accounting policies used in the preparation of the financial statements, which have been consistently applied, are set out below.

- (a) **Basis of accounting**  
The accounts are prepared under the historical cost convention.
- (b) **Turnover**  
Turnover represents the amounts (excluding VAT) derived from the provision of goods and services to customers.
- (c) **Accounting for income**  
Income is accounted for when receipt of it is probable and amounts receivable can be measured with sufficient reliability.
- (d) **Cash flow statement**  
The company has taken advantage of the exemption available in FRS 102 paragraph 1.12 to not prepare a cash flow statement.

**THE CHILDREN'S SOCIETY (TRADING) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**1 ACCOUNTING POLICIES**

**(e) Management charge**

The company uses the resources of The Church of England Children's Society to carry out its operations. The Church of England Children's Society charges a management fee for its services.

**(f) Debtors**

Debtors are recorded at the amount invoiced in accordance with the agreement to which they relate, less any impairment of the asset.

**(g) Cash**

Cash at bank and in hand represents the value of all cash and bank holdings that are available for immediate use.

**(h) Creditors**

Liabilities are recognised when the company has a legal or contractual obligation to transfer resources to another party to settle that obligation. Liabilities are recorded at the best estimate of the amount that will be required to settle the obligation.

**(i) Financial instruments**

The company applies the provisions of sections 11 and 12 of FRS 102 in full. Financial instruments are recorded initially at their transaction costs. Financial instruments held at fair value through profit and loss are subsequently measured and reported at their fair value. Changes in fair value from remeasurement are recorded in income and expenditure.

Financial instruments that are debt or financial liabilities are subsequently measured and reported at their amortised cost using the effective interest method.

Remeasurement gains and losses are reported in income and expenditure.

**(j) Tax**

The company is subject to taxation at the prevailing rate. Taxable profits are paid as a gift to The Church of England Children's Society and therefore no tax is payable.

**THE CHILDREN'S SOCIETY (TRADING) LIMITED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**

<b>2 TURNOVER</b>	<b>2023</b> £000	<b>2022</b> £000
Sale of greetings cards	127	141
Income from raffles	—	—
Shop sales	87	89
	<u>214</u>	<u>230</u>
<b>3 EMPLOYEES AND DIRECTORS</b>		
The company has no employees (2022: nil). Running costs were recharged by The Church of England Children's Society. No director received any remuneration (2022: £nil).		
<b>4 ADMINISTRATIVE EXPENSES FOR THE YEAR</b>	<b>2023</b> £000	<b>2022</b> £000
Audit fees	<u>2</u>	<u>1</u>
<b>5 DEBTORS</b>	<b>2023</b> £000	<b>2022</b> £000
Trade debtors	29	—
Amount owed from parent undertaking	—	69
	<u>29</u>	<u>69</u>
<b>6 CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	<b>2023</b> £000	<b>2022</b> £000
Trade Creditors	—	—
Amount owed to parent undertaking	139	100
	<u>139</u>	<u>100</u>
<b>7 CALLED UP SHARE CAPITAL</b>	<b>2023</b> £000	<b>2022</b> £000
Authorised: 100 ordinary shares of £1 each	<u>100</u>	<u>100</u>
Allotted, called up and fully paid: 1 ordinary share of £1 each	<u>1</u>	<u>1</u>

**THE CHILDREN'S SOCIETY (TRADING) LIMITED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**8 TAXATION**

No taxation is payable because the company makes a tax-deductible payment of its taxable profit to its parent charity (2022: £Nil).

**9 PARENT COMPANY AND RELATED PARTY DISCLOSURE**

The parent company is The Church of England Children's Society, a company limited by guarantee and a charity, which is registered in England and Wales. The consolidated accounts of this group are available to the public from Companies House.

The consolidated accounts are publicly available therefore advantage has been taken of the exemption in FRS102 not to disclose group transactions.