



**GREAT
ORMOND
STREET**
INTERNATIONAL
PROMOTIONS
LIMITED

Company No. 02265303

ANNUAL REPORT AND FINANCIAL STATEMENTS
31/03/2020

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Great Ormond Street International Promotions Limited

Directors' Report

Directors Louise Parkes (appointed May 2019)
Richard Bowyer
Ian Chivers (resigned March 2020)
Amit Aggarwal (resigned March 2020)

Company Secretary Claire Robson

Registered Office 40 Bernard Street, London, WC1N 1LE

The directors present the Annual Report and Financial Statements of Great Ormond Street International Promotions Limited a private company ("the Company" or "GOSIPL") for the year ended 31 March 2020.

Principal Activities

The Company is a wholly owned subsidiary of Great Ormond Street Hospital Children's Charity ("the Charity") for whom it has undertaken trading activities during the year.

Activities

The Company is responsible for all commercial activities for the Charity, namely licensing, sales, promotions and mail order.

Result and distribution for the year

The profit of the Company for the financial year ended 31 March 2020 totalled £1,092,639 (2018/19: £1,133,991). As a result of the technical guidance released by the Institute of Chartered Accountants in England and Wales (ICAEW) in October 2014, the payment of the profit from the Company to the Charity is now treated as a distribution from shareholder's funds rather than a donation. The physical payment will be made by 31 December 2020 so there will be no taxable income for the year ended 31 March 2020. Following the finalisation of the year end financial statements, this was approved by the directors of the Company on 3 July 2020.

Directors and Their Interests

The directors of the Company during the year ended 31 March 2020 and up to the date of signing the Financial Statements are shown above.

The Articles of Association do not require the rotation of directors. According to the register maintained in accordance with the Companies Act 2006, the directors had no interests in the share capital of the Company up to the date of signing the Financial Statements.

Statement of Disclosure of Information to Auditors

So far as the directors are aware, there is no relevant audit information of which the Company's auditors are unaware. The directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Independent Auditors

PricewaterhouseCoopers LLP,
Chartered Accountants and Statutory Auditors,
1 Embankment Place
London, WC2N 6RH

Bankers

The Royal Bank of Scotland plc, 9th Floor, 280 Bishopsgate, London EC2M 4RB

Solicitors

Macfarlanes, 20 Cursitor Street, London, EC4A 1LT

Great Ormond Street International Promotions Limited

Directors' Report

Small Company Rules

The Financial Statements have been prepared under the special provisions applicable to companies subject to the small companies regime and Financial Reporting Standard 102 (effective January 2016) under the historical cost convention and in accordance with Companies

Going Concern

The directors have considered the period at least 12 months from the date of this report and assessed whether the Company is able to continue as a going concern, in view of projected income, expenditure and future cash flows. If income from operating activities were to fall due to a change in the economic environment or other adverse event, the directors have a reasonable expectation that the Company would continue to be able to meet its commitments as they fall due or that actions could be taken to reduce expenditure accordingly. The Company has adequate resources to continue its activities for the foreseeable future. Accordingly, the directors

Financial Performance

Turnover at £1.9 million has decreased during the year (2018/19: £2.0 million), principally as a result of lower commercial licences, royalties and merchandise sales. A reduction in cost of sales to £0.4 million (2018/19: £0.5 million) has given a gross profit of £1.4 million (2018/19: £1.5 million)

COVID-19

COVID-19 did not have an impact on financial performance for the year ended 31 March 2020, but we anticipate some impact for 2020/21. Whilst still unknown the scale of impact, we anticipate a reduction in event income due to social distancing regulations, as well as a potential reduction in royalty income, however this is dependent on the reopening of theatres. There will be some associated cost reductions as a result of the decline in activity and we will seek to keep costs to a minimum wherever possible.

Great Ormond Street International Promotions Limited

Directors Report

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- 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 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.

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.

The directors are responsible for the maintenance and integrity of the of the company's financial statements published on the ultimate parent company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' confirmations

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information



Louise Parkes
Director
3 July 2020

Independent auditors' report to the members of Great Ormond Street International Promotions Limited

Report on the audit of the financial statements

Opinion

In our opinion, Great Ormond Street International Promotions Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: Profit and Loss Account For the year ended 31 March 2020; Balance Sheet as at 31 March 2020; ; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which 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.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express

an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 March 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

Auditors' 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 auditors' 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.

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

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom

this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: prepare financial statements in accordance with the small companies regime; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



Kevin Lowe (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
15 July 2020

Great Ormond Street International Promotions Limited
Profit and Loss Account
For the year ended 31 March 2020

	Note	2020 £	2019 £
Turnover	2	1,861,205	2,005,266
Cost of sales		(415,693)	(513,981)
Gross profit		<u>1,445,512</u>	<u>1,491,285</u>
Administrative expenses	3	(356,005)	(359,651)
Operating Profit		<u>1,089,507</u>	<u>1,131,634</u>
Interest receivable and similar income		3,132	2,357
Profit on ordinary activities before taxation		<u>1,092,639</u>	<u>1,133,991</u>
Tax on profit on ordinary activities	5	-	-
Profit for the financial year	10	<u>1,092,639</u>	<u>1,133,991</u>

Notes 1 to 12 form part of these Financial Statements. Turnover and operating profit are wholly attributable to continuing activities. There are no recognised gains and losses for either the current or preceding year and no movement in shareholders funds. Accordingly, no statement of total recognised gains and losses and no reconciliation of movements in shareholders funds are given.

Great Ormond Street International Promotions Limited
Balance Sheet as at 31 March 2020

	Note	2020 £	2020 £	2019 £	2019 £
Current Assets					
Inventories	6	54,869		60,251	
Debtors	7	541,642		277,965	
Cash at bank and in hand		558,004		1,812,022	
Total Current Assets		1,154,515		2,150,238	
Creditors: amounts falling due within one year	8	(1,129,024)		(2,124,747)	
Net (Liabilities) / Assets			25,491		25,491
Capital and Reserves					
Called up share capital	9		2		2
(Accumulated losses) / Retained earnings	10		25,489		25,489
Total equity			25,491		25,491

The Financial Statements have been prepared in accordance with the special provisions applicable to companies subject to the small Companies regime.

The Financial Statements on pages 7 to 12 were approved by the Board of Directors on 3 July 2020 and signed on its behalf by:



Louise Parkes
Director

Great Ormond Street International Promotions Limited

Notes to the Financial Statements

For the year ended 31 March 2020

1. Accounting Policies

The following accounting policies have been applied consistently in dealing with items that are considered material in relation to these Financial Statements.

Accounting Convention

The Financial Statements have been prepared under the special provisions applicable to companies subject to the small companies regime and Financial Reporting Standard 102 (effective January 2016) under the historical cost convention and in accordance with Companies Act 2006 and applicable accounting standards in the United Kingdom.

The directors have a reasonable expectation that the Company has adequate resources to continue activities for the foreseeable future, as stated within the Directors' report (see page 3). Accordingly they continue to adopt the going concern basis in preparing the Financial Statements.

Turnover comprises income from all commercial activities for the Charity, namely licensing, sales, promotions, and mail order exclusive of VAT. All turnover arises within the UK.

Turnover is recognised on sale of goods when dispatched. An accrual for royalty income is made on the receipt of an income statement from the third party. Licence income is recognised when contractual performance conditions are met.

Expenditure

Expenditure is accounted for on an accruals basis and has been classified under the principal categories of 'cost of sales' and 'administrative expenses'. Cost of sales comprises the costs incurred in generating turnover and administrative expenses comprises of the management charge from the Charity and governance costs for the year.

With the exception of audit fees and the management charge, support costs, which include the central functions of Finance, IT, HR, Administration, Business Support, Governance and Supporter Services, are born by the Charity and can be seen in the group consolidated Financial Statements.

Gift Aid

Technical guidance was issued by the ICAEW in October 2014 requiring that where a wholly owned trading subsidiary gift aids its profits to its parent charity, that the payments are treated as distributions in the same way as dividends. As the Company made a formal commitment before 31 March 2020 to make such a distribution of current year profits to the Charity, there is an obligation on the Company as at the balance sheet date to distribute its profits to the Charity.

Taxation

No current tax liability arises as the Company intends to make qualifying charitable donations of gift aid payments in equalling its taxable profits within the allowable time frame post year end. These payments will be made to its parent charitable company, the Charity, which is a registered charity.

Inventories

Inventories consist of purchased goods for resale, which are valued at the lower of cost and the estimated selling price less costs to complete and sell. Inventories are measured on a First in First Out (FIFO) basis.

Cash flow

The Company is exempted from producing a cash flow statement as required by FRS102, as it is a wholly owned subsidiary undertaking within the context of the standard. A consolidated cash flow statement is presented in the Financial Statements of the Charity.

Great Ormond Street International Promotions Limited
Notes to the Financial Statements
For the year ended 31 March 2020

2. Analysis of turnover and gross profit between activities

	Turnover		Gross Profit	
	2020	2019	2020	2019
	£	£	£	£
Challenge events	49,453	37,771	(211,747)	(279,715)
Mail Order	261,635	306,199	185,798	189,655
Royalties	1,155,428	1,212,025	1,076,772	1,133,846
Corporate licenses	357,904	441,103	357,904	441,103
Other trading	36,785	8,168	36,785	6,396
Total	1,861,205	2,005,266	1,445,512	1,491,285

	2020	2019
	£	£

3. Administrative Expenses

These include:

Fees, inclusive of VAT, payable to the Company's auditors for the audit of the company's Financial Statements

8,448	8,046
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4. Management charge

Management Charge

224,353	223,546
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The management charge includes a staff cost recharge from the Charity.

No directors were paid in 2019/20 (2018/19: none)

A director indemnity insurance policy is held with Dual Corporate Risks Limited, providing indemnity of £10 million. The cost of the policy in 2019/20 was £5,600 (2018/19: £5,050) and is born by the Charity.

Great Ormond Street International Promotions Limited

Notes to the Financial Statements

For the year ended 31 March 2020

5. Tax on profit on ordinary activities

Factors affecting the tax charge:

The tax assessed for the year is lower (2018/19: lower) than that resulting from applying the standard rate of corporation tax in the UK of 19% (2018/19: 19%).

The differences are explained below:

	2020 £	2019 £
Profit on ordinary activities before taxation	1,092,639	1,133,991
Corporation tax at 19 % thereon (2018/19: 19%)	207,601	215,458
Effects of expected qualifying charitable donations	<u>(207,601)</u>	<u>(215,458)</u>
Tax charge	<u>-</u>	<u>-</u>

The expected qualifying charitable donations reflect the expectation that no corporation tax will be due on the Company's profits for the year, as gift payments are expected to be made in the 9 months after year end to reduce the tax charge to nil. This follows recent changes in relation to gift aid payments as disclosed in Note 1 to the Financial Statements.

	2020 £	2019 £
6. Inventories		
Goods for resale	<u>54,869</u>	60,251

	2020 £	2019 £
7. Debtors		
Trade Debtors	237,462	89,416
Other debtors	11,949	8,079
Prepayments and accrued income	<u>292,231</u>	180,470
Total	<u>541,642</u>	277,965

	2020 £	2019 £
8. Creditors: Amounts falling due within one year		
Trade Creditors	26,747	14,746
Amount owed to group undertakings	864,077	2,070,716
Taxation and social security	178,809	15,939
Accruals	11,128	23,160
Deferred Income	<u>48,263</u>	186
Total	<u>1,129,024</u>	2,124,747

Great Ormond Street International Promotions Limited
Notes to the Financial Statements
For the year ended 31 March 2020

9. Called Up Share Capital	2020	2019
	£	£
Ordinary shares of £1 each	<u>2</u>	<u>2</u>

10. Changes in Equity

	Share Capital	Retained Earnings	Total
	£	£	£
At 1 April 2019	2	25,489	25,491
Profit for the financial year	0	1,092,639	1,092,639
Distribution	0	(1,092,639)	(1,092,639)
At 31 March 2020	<u>2</u>	<u>25,489</u>	<u>25,491</u>

11. Ultimate Controlling Party

The ultimate controlling party is Great Ormond Street Hospital Children's Charity (charity registration no 1160024), which is a company limited by guarantee (company number 09338724), by virtue of its 100% shareholding. Group Financial Statements are available from its principal place of business, 40 Bernard Street, London, WC1N 1LE.

12. Related Party Transactions

During the year the company distributed £1,094,017 (2018/19: £1,133,991) to the Charity. A management charge of £224,353 was paid to the Charity (2018/19: £223,546). At the year end, a balance of £865,455 (2018/19: £2,729,264) was owed to the Charity.