

**GREAT
ORMOND
STREET**
INTERNATIONAL
PROMOTIONS
LIMITED

Company no. 02265303

Annual Report and Accounts

2022/23

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Contents

Directors’ Report..... 3

Statement of Directors’ Responsibilities..... 5

Independent auditors’ report to the members of Great Ormond Street International Promotions Limited..... 6

Financial Statements..... 9

Notes to the financial statements..... 11

Directors' Report

Directors Bill Cunningham (Chair)
Louise Parkes
Liz Tait

Company Secretary Claire Robson

Registered Office 40 Bernard Street, London, WC1N 1LE

The directors present the audited Annual Report and Accounts of Great Ormond Street International Promotions Limited ("the Company" or "GOSIPL") for the year ended 31 March 2023.

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 2023 totalled £1,146k (2021/22: £459k). 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 2023 so there will be no taxable income for the year ended 31 March 2023. Following the finalisation of the year-end financial statements, this payment was approved by the directors of the Company on 26 June 2023.

Directors and their interests

The directors of the Company during the year ended 31 March 2023 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

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 Act 2006 and applicable accounting standards in the United Kingdom. The directors have taken the exemption from providing a strategic report applicable for small 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. Long term financial modelling has been undertaken as part of the Charity group with multiple scenarios considered. The Company has adequate resources to continue its activities for the foreseeable future. Accordingly, the directors continue to adopt the going concern basis in preparing the Financial Statements.

Financial Performance

Turnover at £1.8 million has increased during the year (2021/22: £0.9 million), principally as a result of increased royalty income. Royalty income relates to licensing rights owned by the Company that third parties pay to use. An increase in this area was expected following emergence from COVID-19 and a full year of open theatres, compared to prior year. An increase in cost of sales to £0.3 million (2021/22: £0.2 million) has given a gross profit of £1.5 million (2021/22: £0.7 million). Challenge events are contributing a greater loss this year, however, it's important to note that it is the trading aspect of these events that goes through the Company. Donations and sponsorship income towards participants in these events is recognised through the Charity. Challenge event activity was significantly decreased during the pandemic, participation in these type of events have increased during the year and levels (including costs) are comparable to pre-pandemic.

Net operating profit at £1.14m (2021/22 £0.5m) has increased, again primarily as a result of the increased royalty income. Increased administrative expenses reflect the increase in management charge from the Charity to the Company, which itself reflects additional activity and income against prior year.

Director Indemnity Insurance

The Company, through its parent the Charity, holds Directors and Officers Liability (D&O) insurance policies at a cost of £41,816 (2021/22 £39,644).

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and Accounts 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, 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 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 also 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.

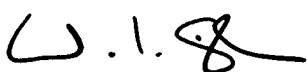
The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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.

The Directors' Report was approved by the Board on 26 June 2023 and signed on its behalf on 18 July 2023, in line with the signing date of the Charity, by:



Bill Cunningham

Chair

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 2023 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, including 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 Accounts, which comprise: the Balance Sheet as at 31 March 2023; the Profit and Loss Account and Statement of Changes in Equity for the year then ended; 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

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 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.

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

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

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

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 our work undertaken in the course of the audit, the Companies Act 2006 requires 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 2023 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, 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.

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 company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Companies Act 2006, and we considered the extent to which non-compliance might have a material effect on the financial statements. 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 posting inappropriate journals to manipulate financial results or conceal the misappropriation of assets and potential management bias in accounting estimates. Audit procedures performed by the engagement team included:

- identifying and testing journal entries, in particular journal entries posted with unusual account combinations to income or expenditure accounts and understanding and evaluating any significant transactions outside the normal course of business
- enquiring of management and the board of directors, including consideration of known or suspected instances of fraud and non-compliance with laws and regulations
- inspecting minutes of meetings of the board of directors
- assessing financial statement disclosures, and testing to supporting documentation, for compliance with applicable laws and regulations

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one

resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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 obtained 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.



Daniel Chan (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
18 July 2023

Financial Statements

Great Ormond Street International Promotions Ltd Profit and Loss Account for the year ended 31 March 2023

	Note	2023 £	2022 £
Turnover	2	1,837,465	886,918
Cost of sales		(337,214)	(183,286)
Gross profit		1,500,251	703,632
Administrative expenses	3	(357,204)	(244,239)
Operating Profit		1,143,047	459,393
Interest receivable and similar income		3,273	85
Profit on ordinary activities before taxation		1,146,320	459,478
Tax on profit on ordinary activities	4	-	-
Profit for the financial year		1,146,320	459,478

Statement of Changes in Equity for the year ended 31 March 2023

	Called up Share Capital £	Retained Earnings £	Total 2023 £
At 1 April 2022	2	25,489	25,491
Profit for the financial year	-	1,146,320	1,146,320
Distribution	-	(1,146,320)	(1,146,320)
At 31 March 2023	2	25,489	25,491

	Called up Share Capital £	Retained Earnings £	Total 2022 £
At 1 April 2021	2	25,489	25,491
Profit for the financial year	-	459,478	459,478
Distribution	-	(459,478)	(459,478)
At 31 March 2022	2	25,489	25,491

The notes on pages 11 to 14 form part of the financial statements

Great Ormond Street International Promotions Ltd

Balance Sheet

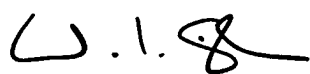
As at 31 March 2023

	Note	2023 £	2023 £	2022 £	2022 £
Current Assets					
Inventories	5	35,131		26,466	
Debtors	6	791,052		410,576	
Cash at bank and in hand		945,100		881,749	
Total Current Assets		1,771,283		1,318,791	
Creditors: amounts falling due within one year	7	(1,745,792)		(1,293,300)	
Net Assets			25,491		25,491
Capital and Reserves					
Called up share capital	8		2		2
Retained earnings			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 notes on pages 11 to 14 form part of the financial statements.

The Financial Statements on pages 9 to 14 were approved by the Board of Directors on 26 June 2023 and signed on its behalf on 18 July 2023 by:



Bill Cunningham

Chair

Company number: 02265303

Notes to the financial statements

1. Accounting policies

1.1 Accounting policies

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

1.1.1 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.

1.2 Turnover

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.

1.3 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.

A resource sharing agreement is in place between GOSIPL and the Charity; charges are invoiced from the Charity to GOSIPL for the use of any shared resources, meaning all staff, premises, facilities, equipment and other resources which are shared by the Charity and GOSIPL from time to time.

1.4 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. At the reporting date, the Company made a formal commitment to make such a distribution of current year profits to the Charity, therefore creating an obligation on the Company as at the balance sheet date to distribute its profits to the Charity within 9 months.

1.5 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.

1.6 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.

1.7 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.

1.8 Critical accounting judgements and estimation

There are no critical accounting estimates or judgements applied.

Great Ormond Street International Promotions Ltd
Notes to the financial statements

2. Turnover

	Turnover		Gross Profit/(Loss)	
	2023	2022	2023	2022
	£	£	£	£
Challenge events	47,766	51,499	(175,432)	(105,378)
Mail Order	144,148	168,896	102,252	145,441
Royalties	1,112,574	250,073	1,040,454	247,118
Corporate licenses	502,351	414,380	502,351	414,381
Other trading	30,626	2,070	30,626	2,070
Total	1,837,465	886,918	1,500,251	703,632

3. Administrative Expenses

These include:

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

	2023	2022
	£	£
	11,339	10,308
	243,374	151,163
	<u>254,713</u>	<u>161,471</u>

The external audit fee exclusive of VAT is £9,449 (2021/22: £8,590)

The management charge includes a staff cost recharge from the Charity based on an apportionment of staff time. Also included are amounts for use of the Charity-licensed Intellectual Property Rights and for use of data.

None of the directors of GOSIPL were remunerated by the Company for their services as directors in the current or prior accounting periods. All costs of employing those directors, who are employees of Great Ormond Street Hospital Children's Charity, are met by Great Ormond Street Hospital Children's Charity, in whose financial statements all such costs have been recognised.

Great Ormond Street International Promotions Ltd
Notes to the financial statements

4. Tax on profit on ordinary activities

Factors affecting the tax charge:

The tax assessed for the year is lower (2021/22: lower) than that resulting from applying the standard rate of corporation tax in the UK of 19% (2021/22: 19%).

The differences are explained below:

	2023	2022
	£	£
Profit on ordinary activities before taxation	1,146,320	459,478
Corporation tax at 19 % thereon (2021/22: 19%)	217,801	87,301
Effects of expected qualifying charitable donations	(217,801)	(87,301)
Tax charge	-	-

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 Aid payments are expected to be made in the 9 months after year end to reduce the tax charge to nil. This follows the appropriate technical accounting guidance in relation to Gift Aid payments as disclosed in Note 1 to the Financial Statements.

	2023	2022
	£	£
5. Inventories		
Goods for resale	35,131	26,466

	2023	2022
	£	£
6. Debtors		
Trade Debtors	264,937	11,609
Prepayments and accrued income	526,115	398,967
Total	791,052	410,576

	2023	2022
	£	£
7. Creditors: Amounts falling due within one year		
Trade Creditors	8,537	2,733
Amount owed to group undertakings	1,644,972	1,253,973
Accruals	21,540	-
Deferred Income	70,743	36,594
Total	1,745,792	1,293,300

Great Ormond Street International Promotions Ltd
Notes to the financial statements

8. Called Up Share Capital

	2023	2022
	£	£
Fully paid up ordinary shares of £1 each	2	2

9. 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. www.gosh.org

10. Related Party Transactions

During the year the company distributed £1,146,320 (2021/22: £459,478) to the Charity. A management fee of £243,374 was paid to the Charity (2021/22: £151,163). At the year end, a balance of £1,644,972 (2021/22: £1,253,973) was owed to the Charity.