

World Scout Shop Limited

Registered number: 07767748

Directors' report and financial statements

For the year ended 31 March 2022

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World Scout Shop Ltd

COMPANY INFORMATION

Directors	M. Newman K. Almond E. Au B. Chatburn M.E.J. Hislop M.T. Hyde J. Robson Blanchard D. Venn – appointed 12 January 2022
Secretary	K.J. Peters
Company number	07767748
Registered office	75 Marlborough Road Lancing Business Park Lancing West Sussex BN15 8UG
Auditors	Crowe U.K. LLP Carrick House Lypiatt Road Cheltenham GL50 2QJ
Bankers	Barclays Bank PLC 1 Churchill Place London E14 5HP

World Scout Shop Ltd

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World Scout Shop Ltd

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2022

The directors present their report and the financial statements for the year ended 31 March 2022

Principal activities

The principal activities of World Scout Shop Limited involved the design, development and supply of products bearing the World Scout logo to the global market place. In addition the Company supplies ranges of product with Scouting themes. The profits generated by the business benefitted both The Scouts and The World Organisation of the Scout Movement. Product sales also supported scouting at the local level in the UK and worldwide by providing quality items at wholesale discounts.

Business review

The global nature of Covid-19 has continued to impact many of the NSO's with trade similar to levels achieved in the prior year. Brexit has pulled down our direct trade by 23% on prior year now importing costs have risen for EU customers.

A challenging year like last however achieving a small profit due to a reduction in the minimum guarantee payment to WOSM.

Future developments

We expect another difficult trading year ahead with Covid-19 having impacted membership numbers globally and some NSO's still unable to meet face to face.

Our EU customer's will continue to face significant importing costs suppressing trade.

We continue to negotiate with the Jamboree organisers due to take place in August 2023 to have a presence or licensing arrangement.

No other income has been assumed for Jamboree in this financial year.

We anticipate a small profit for the year ahead

Financial Risk Management

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

Price Risk

The company is exposed to movements in the U S Dollar currency rate which affects imports. The directors monitor this risk and where possible i) the costs are absorbed or ii) when necessary costs are passed on to customers.

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.

Due to the nature of the business and its level of international trade credit information is not always available. The Company will request payment in advance for first orders in order to mitigate this risk and monitor how quickly debts are settled to establish credit limits.

World Scout Shop Ltd

DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2022

Liquidity and Cash Flow

The main cash flow and liquidity risk for the business is to ensure that bank balances and cash generated from trading is sufficient to service the indebtedness to the parent charity. The Company monitors performance closely to ensure that sufficient cash flows are generated. Deed of Covenant late payment would result in corporation tax liability.

Results

Profit before tax for the year amounted to £17,378 2021 Loss: (£15,078) before Deed of Covenant payments to The Scout Association, interest and taxation.

Directors

The directors who served during the year were:

K. Almond
E.Au
B.Chatburn
M.E.J.Hislop
M.T. Hyde

M. Newman
S.S Ooi (resigned 12 January 2022)
J. Robson Blanchard (appointed 20 October 2020)
D. Venn (appointed 12 January 2022)

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 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.

World Scout Shop Ltd

DIRECTORS' REPORT (continued) **FOR THE YEAR ENDED 31 MARCH 2022**

Auditors

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

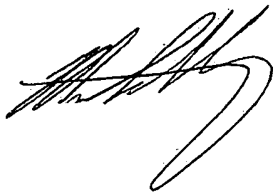
Statement of disclosure to auditor

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 auditor 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.

In preparing the directors' report advantage has been taken of the small companies' exemption.

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



M.E.J.Hislop

Director

Date: 22nd June 2022

World Scout Shop Ltd

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF WORLD SCOUT SHOP LIMITED

Opinion

We have audited the financial statements of World Scout Shop Limited for the year ended 31 March 2022 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity and notes to the financial statements, including 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 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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

In auditing the financial statements, we have concluded that the director's 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 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 directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information contained within the annual report. 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.

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 this gives rise to material misstatement in the financial statements themselves. 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.

World Scout Shop Ltd

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF WORLD SCOUT SHOP 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has 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 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 company, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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

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.

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 . This description forms part of our auditor's report.

World Scout Shop Ltd

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 and financial reporting standards. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the company for fraud. The laws and regulations we considered in this context for the UK operations included Taxation legislation and General Data Protection Regulation (GDPR).

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of revenue and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, analytical procedures and sample testing of income, reviewing accounting estimates for biases, reviewing regulatory correspondence, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

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.



Guy Biggin
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
Cheltenham
Date : 14 July 2022

World Scout Shop Ltd

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 £	2021 £
Turnover	1,2	157,619	161,523
Cost of sales	3	(67,730)	(90,584)
Gross profit		89,889	70,939
Distribution costs		(9,537)	7,921
Administrative expenses		(95,008)	(109,761)
Other operating income		32,034	15,823
Profit on ordinary activities before taxation	4	17,378	(15,078)
Tax on profit on ordinary activities	6	(998)	-
Profit for the year and total comprehensive income for the year.	6	16,380	(15,078)

All amounts relate to continuing operations.

There were no recognised gains and losses for 2022 other than those included in the statement of comprehensive income.

The notes on pages 10 to 15 form part of these financial statements.

World Scout Shop Ltd

BALANCE SHEET AS AT 31 MARCH 2022

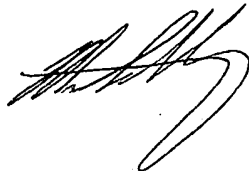
Company number: 07767748

		2022	2021
		£	£
Fixed assets			
Intangible fixed assets - brand licence	7	1,677	16,079
Tangible Assets - IT equipment	7	-	-
		1,677	16,079
Current assets			
Cash at Bank		1,820	904
Debtors	8	111,280	93,999
Creditors: amounts falling due within one year	9	(13,475)	(26,060)
Net current assets		99,625	68,843
Total assets less current liabilities		101,302	84,922
Capital and reserves			
Called up share capital	10	100,000	100,000
Retained Earnings		1,302	(15,078)
		101,302	84,922

Shareholder's funds

The financial statements have been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

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



M.E.J. Hislop
Director

Date: 22nd June 2022

The notes on pages 10 to 15 form part of these financial statements.

World Scout Shop Ltd

STATEMENT OF CHANGES IN EQUITY AS AT 31 MARCH 2022

	Equity Share Capital £	Retained Earnings Reserve £	Total Equity £
Balance at 1st April 2020	100,000	-	100,000
Profit for the year	-	(15,078)	(15,078)
Deed of covenant contribution to The Scouts		-	-
Balance at 31st March 2021	<u>100,000</u>	<u>(15,078)</u>	<u>84,922</u>
Balance at 1st April 2021	100,000	(15,078)	84,922
Profit for the year	-	16,380	16,380
Deed of Covenant contribution to The Scout Association	-	-	-
Balance at 31st March 2022	<u>100,000</u>	<u>1,302</u>	<u>101,302</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

1. Accounting policies

1.1 Basis of preparation of financial statements

World Scout Shop 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 Directors' 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.
- Related party transactions with the parent charity and other wholly owned subsidiaries have not been disclosed.

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 the Company is expected to generate sufficient cash surplus from trading within nine 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.

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. Income is recognised at the point goods are despatched to customers or services provided.

1.3 Other Income

Other Income incorporates licence fees issued to National Scout Organisations (NSOs) around the world. Royalties are recognised on an accruals basis and adjusted on an agreed declaration.

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 - brand licence	-	11%	p.a. straight line
Intangible assets - Website	-	33%	p.a. straight line

1.5 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:

World Scout Shop Ltd

IT Equipment and software

- 20%/25% p.a. straight line

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 MARCH 2022

1. Accounting policies (continued)

1.6 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.

1.7 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.

1.8 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 payments to suppliers, licensors and the Group. During the year the company made a loss and no payment is made under Deed of covenant to The Scouts.

2. Turnover

The total turnover of the company for the year has been derived from its principal activity. 2% of this activity is undertaken in the United Kingdom (2021: 3%) and the remaining 98% from the rest of the world (2021: 97%).

3. Cost of sales and stock

World Scout Shop Ltd acquires all stock from Scout Shops Ltd on a cost basis to fulfil each sale. World Scout Shop Ltd does not retain a stockholding.

4. Operating profit

The operating profit is stated after charging:

	2022 £	2021 £
Amortisation of intangible assets	14,402	20,349
Depreciation of tangible fixed assets	-	-
Auditor's remuneration	2,000	2,000
Gain on foreign exchange transactions	(1,107)	(1,645)

5. Deed of Covenant - The Scouts

	2022 £	2021 £
Deed of Covenant	-	-

World Scout Shop Ltd

~~NOTES TO THE FINANCIAL STATEMENTS (continued)~~ FOR THE YEAR ENDED 31 MARCH 2022

6. Taxation

	2022	2021
Analysis of tax charge for the period		
<i>Current tax</i>		
UK corporation tax at 19% (PY 19.00%)	998	-
Adjustments in respect of prior periods	-	-
Total current tax charge	<u>998</u>	<u>-</u>
<i>Deferred tax</i>		
Origination and reversal of timing differences	-	-
Tax on profit on ordinary activities	<u>998</u>	<u>-</u>
Provision for deferred tax		
Movement in provision:		
Provision at start of period	-	-
Deferred tax charge	-	-
Comprehensive income for the period		
Provision at end of period	<u>-</u>	<u>-</u>
Reconciliation of tax charge		
Profit/(Loss) on ordinary activities before tax	17,378	(15,078)
Tax on profit on ordinary activities at standard CT rate of 19.00% (PY 19.00%)	3,302	(2,865)
Effects of:		
Losses carried back	-	-
Movement in deferred tax not recognised	(2,304)	2,865
Tax charge for the period	<u>998</u>	<u>-</u>

World Scout Shop Ltd

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 MARCH 2022

7. Fixed assets

	2022 Intangible Assets - Brand Licence £	2022 Intangible Assets - Website £	2022 Tangible Assets £	2022 Total Assets £
Cost				
At 1 April 2021	84,364	32,926	2,477	119,738
Additions in year	-	-	-	-
Disposals	-	-	-	-
At 31 March 2022	<u>84,364</u>	<u>32,926</u>	<u>2,447</u>	<u>119,738</u>
Amortisation/Depreciation				
At 1 April 2021	78,396	22,816	2,447	103,660
Charge for the year	4,316	10,085	0	14,402
Disposals	-	-	-	-
At 31 March 2022	<u>82,712</u>	<u>32,901</u>	<u>2,447</u>	<u>118,061</u>
Net book Value				
At 31 March 2022	<u>1,652</u>	<u>25</u>	<u>0</u>	<u>1,167</u>
At 1 April 2021	<u>5,968</u>	<u>10,110</u>	<u>0</u>	<u>16,079</u>

The intangible asset relates to payment to the World Organisation of the Scout Movement after being awarded the licence to design, distribute, market and sell products bearing the World Scout Organisation registered logo and also the new WSS website.

8. Debtors

	2022 £	2021 £
Amounts owed by group undertakings	105,183	91,098
Prepayments and accrued income	6,097	2,901
	<u>111,280</u>	<u>93,999</u>

9. Creditors: amounts falling due within one year

	2022 £	2021 £
Amounts owed to parent undertakings	-	-
Accruals and deferred income	12,477	26,060
Taxation	998	-
	<u>13,475</u>	<u>26,060</u>

World Scout Shop Ltd

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 MARCH 2022

10. Share capital

	2022	2021
	£	£
Allotted, called up and fully paid		
100,000 Ordinary shares of £1 each	100,000	100,000

11. Reserves

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

12. Employees

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

	2022	2021
	£	£
Wages and salaries	50,763	61,024
Social security costs	5,034	6,233
Other pension costs	3,326	1,270
	59,123	68,527

The directors did not receive any remuneration during the year (2021:Nil)

World Scout Shop includes an apportionment of Scout Shops Ltd staff costs due to the amount of resource utilised by World Scout Shop

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

	2022	2021
	No.	No.
Sales	-	-

World Scout Shop Ltd does not employ any staff directly. Operations and management are supplied by Scout Shops Ltd staff. The Board of Directors also provides strategy and support to the Company.

World Scout Shop Ltd

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 MARCH 2022

13. Control

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

World Scout Shop Ltd donates to The Scouts in accordance with a Deed of Covenant each year a sum based on the profits of the company for corporation tax purposes.

14. 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 World Scout Shop Limited figures are included, are publicly available.

Certain costs associated with the operation of World Scout Shop Ltd are incurred by Scout Shops Ltd with costs allocated to World Scout Shop Ltd when appropriate. As a result, remuneration of key management personnel is directly borne by Scout Shops Ltd, with amounts paid in the year disclosed in the financial statements.