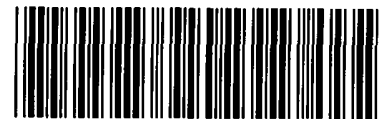


SAVE THE CHILDREN (SALES) LIMITED

ANNUAL REPORT
31 DECEMBER 2021
Company Number: 00875945

TUESDAY



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**SAVE THE CHILDREN (SALES) LIMITED
COMPANY INFORMATION**

Directors

S Cochrane

T Davies

I Matthews

S Potter

F D'Souza (appointed 25 February 2021)

Registered Office

1 St John's Lane

London

EC1M 4AR

Auditor

KPMG LLP

Chartered Accountants and Statutory Auditors

London

E14 5GL

Company registration number

00875945

SAVE THE CHILDREN (SALES) LIMITED DIRECTORS' REPORT

The directors present their report and the audited accounts for the year ended 31 December 2021.

The Directors' Report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

Financial results

The profit for the year amounted to £53,301 (year to 31 December 2020: £106,837) and has been gifted to Save the Children. There were no transfers to reserves, or dividends paid or proposed (year to 31 December 2020: nil).

Review of the business

The principal activities of the company are retail activities and commercial promotions. The company raises funds for The Save the Children Fund by means of retail activities (involving the sale of new goods) and through commercial promotions in conjunction with corporate partners. The retail turnover including income from royalties amounted to £444,173 (2020: £303,334). Total income raised through corporate partners was £362,282 (2020: £250,560). Other income of £130,089 (2020: £52,453) was generated from our children's book subscription Wonderbooks.

Going Concern

After making enquiries, the directors have a reasonable expectation that the company will continue to trade profitably for the foreseeable future and are satisfied with the financial position as reported at 31 December 2021. Accordingly, they continue to adopt the going concern basis in preparing these financial statements. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies in note 1 of the financial statements.

Directors

The directors for the year and to the date of this report were as follows:

S Cochrane
F D'Souza (appointed 25 February 2021)
T Davies
I Matthews
S Potter

Provision of information to auditors

In the case of each of the persons who are directors at the time when the directors' report is approved, the following applies: So far as the directors are aware, there is no relevant audit information of which the company's auditor is unaware; and the directors have taken all 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 auditor is aware of that information. This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

A resolution for the reappointment of KPMG LLP as auditors will be submitted at the Annual General Meeting.

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 applicable law and Section 1A of FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (UK Generally Accepted Accounting Practice applicable to Smaller Entities).

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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 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, and 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.

Approved by the Board of Directors and signed on its behalf by:

DocuSigned by:

Francis D'Souza

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F.D'Souza

Director

Date: 24-Aug-2022 | 17:09 BST

Registered Office:

1 St John's Lane

London

EC1M 4AR



Independent Auditor's Report to the Members of Save the Children (Sales) Limited

Opinion

We have audited the financial statements of Save the Children (Sales) Limited ("the company") for the year ended 31 December 2021, which comprise the Profit and Loss Account, Balance Sheet and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards applicable to smaller entities, including Section 1A of FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.



Independent Auditor's Report to the Members of Save the Children (Sales) Limited (continued)

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of management and inspection of policy documentation as to the company's high-level policies and procedure to prevent and detect fraud;
- Reading Board meeting minutes;
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular:

- the risk that management may be in a position to make inappropriate accounting entries; and
- the risk that Other Income is overstated through recording revenues in the wrong period.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted by senior finance management or other unexpected individuals and those posted to unusual account combinations; and
- Agreeing a sample of Other Income transactions back to relevant invoices and bank statement entries.



Independent Auditor's Report to the Members of Save the Children (Sales) Limited (continued)

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with management (as required by auditing standards). We discussed with management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies' legislation), and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety and certain aspects of company legislation, recognising the nature of the Company's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

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 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 fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.



Independent Auditor's Report to the Members of Save the Children (Sales) Limited (continued)

Directors' report

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 3, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; 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; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.



Independent Auditor's Report to the Members of Save the Children (Sales) Limited (continued)

The purpose of our audit work and to whom we owe our responsibilities

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.

A handwritten signature in black ink, reading 'Lynton Richmond'.

Lynton Richmond (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
KPMG LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

15 Canada Square, London, E14 5GL

Date: 30th August 2022

SAVE THE CHILDREN (SALES) LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Total 2021 £	Total 2020 £
Turnover	2	936,545	606,347
Cost of sales		(205,671)	(180,630)
Gross profit		730,874	425,717
Administrative expenses		(677,573)	(318,880)
Operating profit		53,301	106,837
Profit on ordinary activities before taxation	4	53,301	106,837
Corporation tax		-	-
Profit on ordinary activities after taxation		53,301	106,837

All results derive from continuing activities.

There are no other recognised gains or losses other than those disclosed above and therefore no statement of recognised gains or losses has been presented.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Share Capital £	Profit and Loss account £	Total £
Opening balance at 02 January 2020	250,000	-	250,000
Profit for the year	-	106,837	106,837
Amount gifted to parent charity	-	(106,837)	(106,837)
Closing balance at 31 December 2020	250,000	-	250,000

	Share Capital £	Profit and Loss account £	Total £
Opening balance at 01 January 2021	250,000	-	250,000
Profit for the year	-	53,301	53,301
Amount gifted to parent charity	-	(53,301)	(53,301)
Closing balance at 31 December 2021	250,000	-	250,000

The accompanying notes on pages 12 to 14 form an integral part of these accounts.

SAVE THE CHILDREN (SALES) LIMITED
BALANCE SHEET
AS AT 31 DECEMBER 2021

	Notes	2021 £	2020 £
Current Assets			
Stock		99,298	113,287
Debtors	7	169,656	135,778
Cash		25,000	25,000
		<u>293,955</u>	<u>274,065</u>
Current Liabilities			
Creditors	8	(43,955)	(24,065)
Net Current Assets		<u>250,000</u>	<u>250,000</u>
Share Capital			
Authorised, allotted, issued and fully paid £1 shares		<u>250,000</u>	<u>250,000</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime. The financial statements of Save the Children (Sales) Limited (registered number 00875945) were approved by the Board of Directors on 25 April 2022 and signed on their behalf by:

DocuSigned by:

Francis D'Souza

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F D'Souza, Director

Date: 24-Aug-2022 | 17:09 BST

The accompanying notes on pages 12 to 14 form an integral part of these accounts.

SAVE THE CHILDREN (SALES) LIMITED

NOTES TO THE ACCOUNTS

1 Accounting Policies

The principal accounting policies are summarised below. They have been applied consistently throughout the year and the preceding period.

(a) Basis of preparation

Save the Children (Sales) Limited is a company incorporated in the United Kingdom under the Companies Act. The Company is a private company limited by shares and registered in England and Wales. The address of the company's registered office is given on page 2. The functional currency of Save the Children (Sales) Limited and presentation currency of the financial statements is £ sterling as this is the currency of the primary economic environment in which the company operates.

Save the Children (Sales) Limited makes use of the treasury facility of its parent charity. Hence, all receipts and payments are processed through the parent charity and recognised in Save the Children (Sales) Limited via intercompany postings.

(b) Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with Section 1A of Financial Reporting Standard 102 (FRS 102) 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' issued by the Financial Reporting Council.

The Directors have adopted the amendments to FRS 102 issued by the FRC in December 2017 relating to the tax effects of gift-aid payments from subsidiaries of charities to their charitable parents. As such a tax charge and deferred tax have not been recognised in the 2021 accounts or 2020 comparatives.

(c) Stock

Stock has been valued at the lower of cost and net realisable value. Net realisable value is based on the selling price less costs expected to be incurred in disposal.

(d) Turnover

Turnover represents the gross amounts receivable for goods sold and corporate promotions held during the year. Turnover from the sale of goods is recognised when the goods are physically delivered to the customer. Income from royalties, which arises from the use of Save the Children's logo by corporate partners, is recognised over the period in which the licence is provided.

(e) Expenditure

Distribution costs are allocated direct to the trading function at the time they are incurred. Administrative expenses are allocated direct where possible; otherwise, apportionments are made of the relevant cost centres in the parent charity.

(f) Cash flow statement

The company is a wholly-owned subsidiary of the Save the Children Fund and is included in the consolidated financial statements of Save the Children Fund, which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1 (revised 1996).

(g) Going concern

The directors believe that the company, as shown by its financial position on 31 December 2021, has the ability to meet its day-to-day working capital requirements.

The company does not currently require an overdraft facility as it works within its existing resources. The company's forecast and projections, taking account of reasonably possible changes in trading performance due to the current uncertain economic environment, show that the company should be able to operate within its cash flow from operations. As a consequence, the directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

Save the Children (Sales) Limited makes use of the treasury facility of its parent charity. The directors of the Group have prepared a consolidated cash flow forecasts for a period of 12 months from the date of approval of these financial statements.

Save the Children Fund, the parent company has indicated its intention to continue to make available such funds as are needed by the company for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

SAVE THE CHILDREN (SALES) LIMITED
NOTES TO THE ACCOUNTS

1 Accounting Policies (continued)

(h) Critical accounting judgements

No critical accounting judgements were made in the preparation of these accounts.

(i) Financial instruments

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially measured at transaction price (including transaction costs). 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.

Trade and other debtors are recognised at the settlement amount due after any discount offered and net of the bad debt provision. Prepayments are valued at the amount prepaid net of any trade discounts due. Creditors are recognised where the company has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

2 Turnover	2021	2020
	£	£
Retail	444,174	303,334
Corporate partner	362,282	250,560
Other	130,089	52,453
	<u>936,545</u>	<u>606,347</u>

3 Profit on ordinary activities before tax is stated after charging:

	2021	2020
	£	£
Fees payable to the company's auditor for the audit of the annual account	<u>14,000</u>	<u>10,000</u>

4 Employees

The average number of Save the Children Fund employees (excluding Directors) during the year who were engaged in the trading activities of the company was 0 (year to 31 December 2020: 0).

5 Directors' emoluments

The directors received no remuneration for services to the company during the year (year to 31 December 2020: £nil)

6 Taxation

The company has not incurred a tax charge in the period due to its policy of gifting all profits to its parent charity each year.

7 Debtors

	2021	2020
	£	£
Amounts falling due within one year:		
Trade debtors	24,048	32,204
Amounts due from parent undertaking	87,401	94,374
Prepayments and accrued income	56,176	8,056
Other debtors	2,032	1,144
	<u>169,656</u>	<u>135,778</u>

SAVE THE CHILDREN (SALES) LIMITED
NOTES TO THE ACCOUNTS

8 Creditors

	2021 £	2020 £
Amounts falling due within one year:		
Trade creditors	23,172	4,330
Amounts due to parent undertaking	-	-
Accruals, deferred income and other creditors	20,783	19,735
	<u>43,955</u>	<u>24,065</u>

9 Share Capital

	2021 £	2020 £
Authorised, allotted, issued and fully paid £1 shares	250,000	250,000

10 Related Party Transactions

There are no related party transactions which require disclosure. As a wholly owned subsidiary, the company has taken advantage of the exemption available under FRS102 not to disclose transactions with the Save the Children Fund.

11 Ultimate parent company

The company's ultimate and immediate parent is the Save the Children Fund, a charitable company registered in England and Wales, which prepares group accounts. Copies of these group accounts are available from the Save the Children Fund, 1 St John's Lane London, EC1M 4AR. As a wholly-owned subsidiary undertaking of the Save the Children Fund, the company has taken advantage of the exemption in FRS 8 "Related party disclosures" not to disclose transactions with the Save the Children Fund. There are no other related party transactions which require disclosure. The only group into which Save the Children (Sales) Limited is consolidated is the Save the Children Fund.