

# **War Child Trading Limited**

**Annual Report and Financial Statements**

**Year Ended**

**31 December 2022**

**Company number: 05100189**

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# **War Child Trading Limited**

## **Annual Report and Financial Statements for the year ended 31 December 2022**

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### **Directors**

C Browne  
J Briggs  
M Panayi (appointed September 2022)  
T Rajah (appointed September 2022)  
R Williams

### **Secretary**

Rob Williams

### **Registered office**

Part Fourth Floor East, Dunn's Hat Factory, 106-110 Kentish Town Road, London NW1 9PX

### **Company number**

05100189

### **Auditor**

Crowe U.K. LLP, 55 Ludgate Hill, London, EC4M 7JW

### **Bankers**

Lloyds Bank. 39 Threadneedle Street, London, EC2R 8AU

# **War Child Trading Limited**

## **Report of the Directors for the year ended 31 December 2022**

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The directors present their report together with the audited financial statements for the year ended 31 December 2022.

This report has been prepared in accordance with the small companies' regime under the Companies Act 2006.

### **Results and dividends**

The directors do not recommend the payment of a dividend for the year under review (2021: £Nil).

### **Principal activities and business review**

The company is the wholly owned subsidiary of War Child.

The company's principal activity is the organisation of music and entertainment fundraising events, the sale of music and other assets from the field of entertainment and the sale of merchandise in order to raise funds for the War Child registered charity.

During 2022 War Child Trading income included royalties for music, including streaming income, proceeds from merchandising activities through our on-line shop, Football Manager jerseys and subscription fees for our new music platform – The Right To Dance. The Right To Dance is War Child's collaboration with the underground music community and through a monthly membership, The Right To Dance offers exclusive access to live events, music, merch collaborations and partner offers.

Expenditure mainly relates to costs incurred in music events, War Child Records and stock to be sold in the online shop.

In 2022 £118,498 in profits relating to 2021 and 2022 have been transferred to War Child by Gift Aid (2021: £Nil).

### **Going concern**

The directors have reviewed the performance of the company in the year and planned future activities. The company has been profitable for the past two years following the global pandemic, where a deficit was made due to the cancellation of live events. With the establishment of War Child Records, the on-line shop and some new music products, the company had been able to clear all past deficits and make a profit and it is expected that these activities will continue to grow in the future. The directors have reviewed the potential income and expenditure for the coming period and consider that there is a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and for this reason, the directors continue to adopt the 'going concern' basis in preparing the accounts.

### **Principal risks and uncertainties**

The principal risks and uncertainties of the company are closely related to that of its parent company, the charity War Child, and in particular the inability to raise the required levels of funding to support the charity's programming.

Since the return of many activities in the entertainment industry post the global pandemic, the significant risks have decreased. The directors consider a risk affecting the company to be that of securing the right music acts in order to make one-off public events tenable. The company generally only reimburses expenses for these acts, and so is reliant on their goodwill, availability and willingness to sacrifice their own potential concert income to make such events work.

In order to address the uncertainties around War Child's traditional music income stream, the directors continued to support the company in its move towards increasing non-event income through sponsorship, recorded music, new partnerships and touring activity with artists. They have also sought to diversify its music-related income in order to create a more sustainable income base for the company.

Additionally, the diversification of activities to provide a more secure portfolio has continued, with merchandise being sold through the War Child shop.

# War Child Trading Limited

## Report of the Directors for the year ended 31 December 2022

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### Directors

The directors of the company (05100189) during the year were as follows:

C Browne  
J Briggs  
M Panayi (appointed September 2023)  
T Rajah (appointed September 2023)  
R Williams

No director had any interest in the share capital of the company, and nor were any directors remunerated during the year (2021: nil).

### 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 they 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 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 judgments and 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 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.

### Auditors

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself 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 the Companies Act 2006.

The directors' report has been prepared taking advantage of the exemptions available to small companies under the Companies Act 2006.

# War Child Trading Limited

Report of the Directors  
for the year ended 31 December 2022

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On behalf of the Board



Caroline Browne  
Director

Date 14<sup>th</sup> June 2023

# War Child Trading Limited

## Independent Auditor's Report to the Members of War Child Trading Limited for the year ended 31 December 2022

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### Independent Auditor's Report to the Members of War Child Trading Limited

#### Opinion

We have audited the financial statements of War Child Trading Limited ('the company') for the year ended 31 December 2022 which comprise the Statement of Comprehensive Income, the balance sheet, the Statement of cash flows 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 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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 a 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.

# War Child Trading Limited

## Independent Auditor's Report to the Members of War Child Trading Limited for the year ended 31 December 2022

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### Opinions on other matters prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of our audit

- the information given in the director's report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the directors' report have been prepared in accordance with applicable legal requirements.

### Matters on which we are required to report by exception

In 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 the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept; 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.

### 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 trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the 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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### 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

# War Child Trading Limited

## Independent Auditor's Report to the Members of War Child Trading Limited for the year ended 31 December 2022

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disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006. 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 were taxation legislation.


Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees 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 surrounding recognition of income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, internal audit and the Audit Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases 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.



Dipesh Chhatralia  
Senior Statutory Auditor  
For and on behalf of  
Crowe U.K. LLP  
Statutory Auditor  
London

12 July 2023



# War Child Trading Limited

## Statement of Income and Retained Earnings for the year ended 31 December 2022

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	Notes	2022 £	2021 £
Turnover		152,819	140,450
Administration costs	3	(49,915)	(80,015)
Operating Profit		<u>102,904</u>	<u>60,435</u>
Taxation	6	-	-
Profit before and after taxation		<u>102,904</u>	<u>60,435</u>
Retained earnings at start of period		15,594	(44,841)
Gift Aid payments to parent		(118,498)	-
Retained earnings at end of period		<u>-</u>	<u>15,594</u>

All amounts relate to continuing activities.

The notes on pages 9 to 11 form part of these financial statements.

# War Child Trading Limited

## Balance Sheet at 31 December 2022

**Company number: 05100189**

	Note	2022 £	2021 £
<b>Current assets</b>			
Trading stock		6,403	6,602
Debtors	4	2,684	22,375
Cash at bank		5,491	5,453
		<hr/>	<hr/>
		14,578	34,430
<b>Creditors: amounts falling due within one year</b>	5	(14,577)	(18,835)
		<hr/>	<hr/>
<b>Net current assets</b>		1	15,595
		<hr/>	<hr/>
<b>Net assets</b>		1	15,595
		<hr/>	<hr/>
<b>Capital and reserves</b>	6		
Called up share capital		1	1
Profit and loss account		-	15,594
		<hr/>	<hr/>
<b>Shareholders' funds</b>		1	15,595
		<hr/>	<hr/>

These accounts have been prepared in accordance with the provision of the small companies' regime within Part 15 of the Companies Act 2006.

The financial statements were approved by the Board, authorised for issue, and signed on its behalf on 14<sup>th</sup> June 2023.



Caroline Browne  
Director

The notes on pages 9 to 11 form part of these financial statements.

# War Child Trading Limited

## Notes forming part of the financial statements for the year ended 31 December 2022

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### 1 Company information

War Child Trading Limited is a private company limited by shares (registered number 05100189) which is incorporated and registered in England.

The company is a wholly owned subsidiary of War Child, registered address Part Fourth Floor East, Dunn's Hat Factory, 106-110 Kentish Town Road, London NW1 9PX. The results of War Child Trading limited are incorporated in the group accounts.

### 2 Basis of preparation

These financial statements have been prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland, as applicable to small entities.

The functional currency of War Child Trading Limited is considered to be in pounds sterling because that is the currency of the primary economic environment in which the company operates. The financial statements are presented in pounds sterling.

#### *Going Concern*

The directors have reviewed the performance of the company in the year and planned future activities. The company was able to clear the earlier deficit in 2021 and started to make a profit again. The earlier deficit related to an event that could not take place due to the cancellation of live events during the global pandemic. With the establishment of War Child Records, the on-line shop and some new music products, the company had been able to clear all past deficits and make a profit and it is expected that these activities will continue to grow in the future. The directors have reviewed the potential income and expenditure for the coming period and consider that there is a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

#### *Turnover*

Turnover is measured at the fair value of the consideration received or receivable; net of discounts and value added taxes. Turnover includes revenue earned from ticket sales. Income is accrued when the company becomes entitled, the amount can be measured and receipt is profitable.

#### *Debtors and Creditors*

Short term debtors are measured at transaction price less any impairment. Short term creditors are measured at transaction price.

#### *Financial Instruments*

War Child Trading Limited has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value (including transaction costs) and are subsequently re-measured where applicable at amortised cost. Financial assets held at amortised cost comprise cash at bank and in hand, trade debtors and accrued income. Financial liabilities comprise accruals, trade and other creditors.

#### *Critical accounting Judgements and Key Sources of Estimation Uncertainty*

Preparation of the financial statements requires management to make judgements and estimates. The directors consider that there are no material judgements in applying accounting policies or key sources of estimation uncertainty.

# War Child Trading Limited

## Notes forming part of the financial statements for the year ended 31 December 2022

### *Gift Aid to Parent Company*

Following a change in FRS 102 donations to the parent charity will now be recognised as an expense either when paid or at the date when the company has a legal liability to make the donation payment if earlier.

### **3 Profit before and after taxation**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Auditor's remuneration	-	-

Audit fees for the Trading company are settled by the parent charity War Child. The Trading company did not incur any fees in relation to services provided by the auditor during 2022 (2021: £Nil).

### **4 Debtors**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
VAT receivable	2,684	2,551
Amount owed from group undertakings	-	19,824
	<b>2,684</b>	<b>22,375</b>

### **5 Creditors: amount falling due within one year**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Trade creditors	235	16,440
Accruals and deferred income	-	2,395
VAT Payable	9,299	-
Amount owed to group undertakings	5,043	-
	<b>14,577</b>	<b>18,835</b>

### **6 Taxation on profit from ordinary activities**

No taxation is provided on the basis that the company's profit for the year is committed under legal obligation to donate all its tax adjusted profits available for distribution under gift aid to its ultimate charitable parent undertaking within nine months of each year-end date and because the company early implemented FRS 102 para 29.14A.

# **War Child Trading Limited**

**Notes forming part of the financial statements  
for the year ended 31 December 2022**

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## **7 Related party transactions**

Transactions with other entities within the group are not disclosed as the company has taken advantage of the exemption available under FRS 102, as the consolidated accounts for War Child in which the company is included are available at the address noted in note 1.