

Charity Registration No. 1153618 (England and Wales)
Company Registration No. 08325666

SWAROVSKI FOUNDATION
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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SWAROVSKI FOUNDATION
LEGAL AND ADMINISTRATIVE INFORMATION

Trustee

Nadja Swarovski
Paul van Zyl
Johnathan Edward Michener Baillie
Lorenza (aka Mimma) Viglezio
Helene Antonia vonDamm
Teri Ellen Schwartz
Marisa Schiestl-Swarovski
Melanie Grieder-Swarovski (appointed 23rd March 2021)

Director

Jakhya Rahman-Corey

Bankers

HSBC
9 The Boulevard
Crawley
West Sussex
RH10 1UT

Registered office

4th Floor
21 Sackville Street
London
Greater London
W1S 3DN

Statutory Auditor

Saffery Champness LLP
71 Queen Victoria Street
London
EC4V 4BE

Company Registration No.

08325666 (England and Wales)

Charity Registration No.

1153618

**SWAROVSKI FOUNDATION
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2020**

The Trustees of the Swarovski Foundation present their annual report and financial statements for the year ended 31 December 2020, which are also prepared to meet the requirements of a directors' report and accounts for Companies Act 2006 purposes.

The financial statements have been prepared in accordance with the Charities Act 2011, the Companies Act 2016, the Memorandum and Articles of Association and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing accounts in accordance with the Financial Reporting Standard (FRS 102). The legal and administrative information on page 1 forms part of this report.

Constitution, objects and governance

The Foundation was incorporated on 11 December 2012 and is governed by its Memorandum and Articles of Association. The Trustees who have been in office during the period or up to the date of this report are listed on page 1.

The Memorandum and Articles of Association of the Foundation were updated in November 2016. The updated Memorandum and Articles of Association recognise that Nadja Swarovski is the sole member of the Foundation and has the right to appoint Trustees (directors) by way of an ordinary resolution.

The Foundation has created documents to support Trustees onboarding including but not limited to a Policy Handbook, highlighting the roles and responsibilities of Trustees.

The Trustees consider the Board of Trustees and the Director as comprising the key management personnel. The Trustees are responsible for the strategic direction of the Foundation, and they delegate day to day financial and operational responsibilities and administration to the Director.

No trustee remuneration was paid during the year. Details of any trustee expenses and related party transactions are disclosed in notes 5 and 11 of the financial statements.

The remuneration of the Foundation's Director is reviewed annually, utilising the Swarovski Global Grading System, which is a globally aligned methodology of role evaluation that enables external comparatives and internal equity, and is overseen by the global management consulting expert, Mercer.

The Foundation operates a well-documented and appropriate methodology in relation to the declaration of interest. As part of an annual review, the Trustees attention is drawn to an outline of good practice based on guidance issued by the Charity Commission. The Foundation has in place a policy on conflicts of interest and loyalty, and the Trustees regularly disclose any actual or potential conflicts of interest.

The Trustees are aware of the principles of the 2017 Charity Governance Code for larger charities: organisational purpose, leadership, integrity, decision making, risk & control, board effectiveness, diversity and openness and accountability. The Charity Governance Code was refreshed in December 2020 to expand the diversity principle into equality, diversity and inclusion and to expand the integrity principle. The Swarovski Foundation Policy Handbook is updated regularly to reflect these changes. Furthermore, Trustees have received Charity Commission: The Essential Trustee Guidance (CC3) and Charity Commission: The hallmarks of an effective charity (CC10).

The Foundation's objects as set out in its Memorandum of Association are for such purposes as:

"The relief of sickness and the preservation of health among people residing throughout the world; the advancement of art, culture and heritage; the promotion for the benefit of the public of conservation protection and improvement of the physical and natural environment; the promotion of human rights (as set out in the Universal Declaration of Human Rights and subsequent United Nations conventions and declarations) throughout the world."

Strategy, objectives, and activities

The Swarovski Foundation's vision is to connect to the philanthropic spirit of Swarovski's business founder who stated "a precondition of your long-term success is that you endeavour to think not only of yourselves but also of your fellow human beings. Those who adhere to this condition will certainly be blessed with success." Daniel Swarovski (Founder of the Swarovski Business)

Main objectives

The Swarovski Foundation's mission is to create impact through grants, awareness and action, across three areas of focus - culture and creativity, human empowerment and the environment, through global partnerships.

- 1) Culture and Creativity - We preserve cultural heritage and foster emerging creative talent by funding educational charities and institutions working across fashion, jewellery and design
- 2) Human Empowerment - We promote education equality and gender equality by working with organisations that educate young people and address the challenges facing women around the world
- 3) Environment - We partner with environmental organisations and projects engaged in the conservation, protection and improvement of the natural world.

Strategies for achieving stated objectives:

The Sustainable Development Goals (SDGs) and Sustainability - The Sustainable Development Goals or Global Goals are a collection of 17 interlinked global goals designed to be a "blueprint to achieve a better and more sustainable future for all". The SDGs were set in 2015 by the United Nations General Assembly and are intended to be achieved by the year 2030. Since 2018, the Swarovski Foundation has been aligning with the SDGs. This framework underpins the strategy of the Foundation to deliver our objective and help drive impact.

The SDGs are the best practice for modern philanthropy, providing unifying language to find and collaborate with partners working toward the same goals and thus by collaborating with grantees, the process of aligning with the SDGs yields greater impact.

Furthermore, Sustainable Development refers to the many processes and pathways to achieve Sustainability. Sustainability is a paradigm for thinking about the future in which environmental, societal, and economic considerations are balanced in the pursuit of an improved quality of life. There are four identified dimensions to sustainable development - social, natural/environmental, political and economic. The Swarovski Foundation aligns to social sustainability (achieve peace, equality and human rights) and environmental sustainability (conservation, all living things, resources and life support systems).

Global Partnerships – We work with and provide grants to global charities and institutions to deliver our objectives. All grants are subject to assessment to ensure alignment to our values, code of conduct and the strategic objectives of the Swarovski Foundation.

Community Engagement – Nadja Swarovski shares “money is not the only currency” as we can use human power to create change, such as volunteering. The Foundation seeks to empower Swarovski employees globally to understand engagement opportunities to volunteer and/or fundraise for charities which can create further impact for Foundation partners.

Significant activities that contribute to the achievement of the stated objectives in the year ending 31 December 2020:

The Sustainable Development Goals (SDGs) - The Swarovski Foundation is committed to supporting the 17 Sustainable Development Goals; we believe in the power of the global goals to shape a better world. Our Foundation focuses on eight key goals which most closely link to our partners’ work and the communities we reach including but not limited to No Poverty (Goal 1), Quality Education (Goal 4), Gender Equality (Goal 5), Clean Water and Sanitation (Goal 6), Decent Work and Economic Growth (Goal 8), Life Below Water (Goal 14), Life on Land (Goal 15) and Partnerships for the Goals (Goal 17). All partners of the Swarovski Foundation must align with the SDGs and promote sustainability.

Global Partnerships – Since 2013, the Swarovski Foundation has reached over 600,000 people through partnerships with 55 organisations across 47 countries. In 2020 The Swarovski Foundation has supported 21 organisations in 24 different countries, reaching a total of 83,000 people; 45,000 of those under the pillar of Culture and Creativity, 18,000 under the pillar of Human Empowerment and 20,000 under the Environment.

Community Engagement - The Swarovski Foundation believes in the power of engaging both external and internal stakeholders to involve them in its work and be one of our partners. The Swarovski Foundation regularly sets up various engagement activities that aim to drive both more awareness and concrete actions to activate change. In 2020 the Swarovski Foundation has carried out engagement efforts for its workforce especially in the first months of the year before the pandemic hit - reaching a total of 40 employees (through its first lunch lecture in Gdansk, Poland and a Swarovski Waterschool training for Swarovski employees in Austria and raising more than 2,100 Euros in support of Women for Women International - and again towards the end of the year with new virtual engagement formats that allowed employees from all over the world to take part.

Delivering Objectives During COVID-19 - The Swarovski Foundation recognises that COVID-19 had increased inequality leaving a devastating impact on individuals, organisations and economies. Whilst the Swarovski Foundation does not deliver services directly to beneficiaries, we considered during such challenging times that we must uphold longstanding charity partnerships, so that they are able to deliver the necessary support needed to beneficiaries. Our charity partners had shown such resilience and creative measures to deliver their work safely on the ground, as well as virtually, reaching over 100,000 people. We know the ripple effects of the pandemic continue, and therefore the Swarovski Foundation will continue to observe the situation and will adapt to any changes necessary to achieve the greatest positive social and environmental impact.

Some examples of partners aligning with Foundation strategic areas year ending 31 December 2020:

- **Blue Marine Foundation** - The Swarovski Foundation has partnered with the Blue Marine Foundation, to educate the Aeolian Islands community and achieve effective marine conservation. Blue Marine Foundation aims to build 48 students' awareness in marine conservation, promote education across 1,000 local community members and launch 4 Marine programs in Lipari and Salina island with 3 schools by 2021. The Blue Marine Foundation project aligns with SDG Quality Education (Goal 4), Life Below Water (Goal 14) and Partnerships for the Goals (Goal 17).
- **Equal Justice Initiative** - The Equal Justice Initiative (EJI) is committed to ending mass incarceration and excessive punishment in the United States, to challenging racial and economic justices, and to protecting basic human rights. It works with communities that have been marginalized by poverty and discouraged by unequal treatment and is committed to protecting basic human rights for the most vulnerable people in society, and to changing the narrative about race in the US. In 2020 the Swarovski Foundation supported the EJI's core funding and the project aligns with SDG Quality Education (Goal 4), and Partnerships for the Goals (Goal 17).
- **Nest** - The Swarovski Foundation supports Nest to help promising and engaged artisans, providing them with the support they need to strengthen their businesses through the Artisan Accelerator Program, improve the environmental impact of production and preserve important cultural traditions around the world. Nest aligns with SDG No Poverty (Goal 1), Quality Education (Goal 4), Gender Equality (Goal 5), Clean Water and Sanitation (Goal 6), Decent Work and Economic Growth (Goal 8), and Partnerships for the Goals (Goal 17). In 2020, with the support of the Foundation, Nest reached 10 businesses employing more 4,800 artisans represented across 8 countries.
- **Teach for Austria** - The Swarovski Foundation supports Teach for Austria, helping to recruit, select and train university graduates to work with hundreds of disadvantaged children in Austria. The partnership began in 2014 and covers the program costs for participants of the fellowship. Teach for Austria aligns with Quality Education (SDG 4) and Gender Equality (SDG 5). In 2019, the partnership was renewed for a further 3 years, and aimed to recruit, place, train and mentor a total of 15 Fellows teaching 1,500 children, as well as educating 50 Swarovski Waterschool Ambassadors.
- **The Nature Conservancy (TNC)** – The Swarovski Foundation supports The Nature Conservancy, which implements multiple restoration methods and works with local communities and authorities to restore landscapes in the Mantiqueira Mountains of Brazil. The Mantiqueira Mountains project will indirectly benefit 20 million people and 1.2 million hectares of land by 2030. The Nature Conservancy project aligns with SDG No Poverty (Goal 1), Quality Education (Goal 4), Clean Water and Sanitation (Goal 6), Life on Land (Goal 15) and Partnerships for the Goals (Goal 17).

- **Whitechapel Gallery** - The Swarovski Foundation has supported the Whitechapel Gallery since 2015, donating funds towards its Youth Programme, which supports young people through short- and long-term creative engagement opportunities including creative work placements, meeting creative professionals and contemporary art workshops and masterclasses. Whitechapel Gallery aligns with Quality Education (SDG 4) Decent Work and Economic Growth (SDG 8) and Partnership for the Goals (SDG 17). Since 2015, the Swarovski Foundation has reached approximately 4,000 young people through the Youth Programme.
- **Women for Women International** - The Swarovski Foundation supports Women for Women International's social and economic empowerment programme in Nigeria, which helps women survivors of war to rebuild their lives by measurably improving their incomes, health and wellbeing, and decision-making abilities. Women for Women International aligns with SDG No Poverty (Goal 1), Quality Education (Goal 4), Gender Equality (Goal 5) and Partnerships for the Goals (Goal 17). Since 2014, the Swarovski Foundation have supported more than 1,000 women survivors of war in Nigeria.
- **UNFPA** - UNFPA is the United Nations' sexual and reproductive health agency with a mission to deliver a world where every pregnancy is wanted, every childbirth is safe and every young person's potential is fulfilled. In November 2020 the Swarovski Foundation answered a UNFPA emergency appeal to provide life-saving assistance to mothers and their children in Yemen by empowering midwives with emergency clinical services, and distributing clean delivery kits containing simple items that can help a woman deliver safely if she cannot access a health facility. Swarovski Foundation partnered with UNFPA on Giving Tuesday communications and fundraising initiative and will continue this commitment to its work in Yemen through 2021. This project aligns with Quality Education (Goal 4), Gender Equality (Goal 5) and Partnerships for the Goals (Goal 17).

Financial Review

Incoming resources of £760,138 (2019: £635,139) were received in the year, primarily in the form of grants from Swarovski AG, whilst resources of £459,761 (2019: £1,083,536) were expended within the year. In addition to these amounts, the Statement of Financial Activities also recognises incoming resources and equivalent expenditure of £393,462 (2019: £322,836) representing an estimate of services donated by the Swarovski Group in 2020 in respect of employee time in the management of the grants programme, legal services and finance and administration services.

The trustees recognise the full value of multi-year grant commitments in the year in which the Swarovski Foundation create a legal or constructive obligation, and where the terms of the related agreement support this accounting treatment.

As a result, at 31 December 2020, the net liabilities of the Swarovski Foundation amounted to £138,198 (2019: £403,977). The net liabilities position recognises a decrease of £265,779 in 2020's net liabilities compared to 2019, when several new multi-year grants were made. Swarovski AG provide Trustees with an undertaking on an annual basis in the form of a letter of support that the full value of multi-year grant commitments will be met as the future payment instalments arise.

Reserves Policy

As noted above, as at 31 December 2020, the Foundation is in a negative reserves position of £139,198 (2019: £403,977).

The Foundation operates within the confines of a project budget that is reviewed and approved by the Board of Trustees. The Foundation is provided with funding by Swarovski AG on an unrestricted basis. Within these unrestricted funds, certain funds have been designated by Trustees for future projects, but this remains at their discretion.

The negative reserves position in 2020 arises from a timing difference between income received to fund grant commitments and the recording of multi-year grant commitments as a liability on the balance sheet. The Trustees have received confirmation from Swarovski AG that funding will be provided as the need to make payment of grant instalments arises in the form of a letter of support, and accordingly the Trustees have satisfied themselves that the Foundation remains a going concern and the going concern basis of accounting remains appropriate.

Future Considerations and COVID-19

The Swarovski Foundation will continue in its vision to spark change for good through awareness and action, by supporting culture and creativity, promoting human empowerment, and preserving the environment, through global partnerships (as stated above).

The Swarovski Foundation recognises that COVID-19 is having a devastating impact on individuals, organisations and economies, and the ultimate outcome remains uncertain. Whilst the Swarovski Foundation does not deliver services directly to beneficiaries, it recognises that its grants support charity organisations to fulfil this service. Therefore, during these challenging times the Swarovski Foundation considers it important to uphold longstanding charity partnerships, so that they can deliver the necessary support needed to beneficiaries.

The Swarovski Foundation will continue to observe the situation and will adapt to any changes necessary to achieve the greatest positive social impact.

Grant Making Policy

The Swarovski Foundation has determined the following policy for Grant making purposes.

Principles

In awarding Grants, the Trustees apply the following principles:

- a) Alignment with the Swarovski Foundation's mission to support charitable initiatives and organisations working in three focus areas: culture and creativity, promoting human empowerment and conserving natural resources.
- b) Applications from key geographical areas which align with Swarovski's wider business operations are eligible for consideration and where there is a need for our support in alignment with United Nations Sustainable Development Goals; and
- c) To support any charitable organisation, trust, association, or institution formed for any of the charitable purposes whose purposes align with the Swarovski Foundation objectives.

SWAROVSKI FOUNDATION
REPORT OF THE TRUSTEES (continued)
FOR THE YEAR ENDED 31 DECEMBER 2020

Exclusions

The Swarovski Foundation does not accept unsolicited Grant requests.

All Grant applications are subject to the Board's approval. Trustees shall not approve the use of any Grant funds that fall outside of the Swarovski Foundation mission and objectives. The number of projects which can be supported by the Swarovski Foundation is, of necessity, limited to the amount of funds available for distribution in any one year.

Risk Management

The Trustees have examined the major strategic, business, and operational risks which the charity faces and confirm that systems have been established to enable regular reports to be produced so that necessary steps can be taken to lessen these risks.

The financial risk of not being able to pay grant instalments when due is mitigated by the letter of support provided by Swarovski AG, noted on page 7. The operational risk that the funds may not be used for the purpose granted is mitigated both by the frequent contact with charity partners, as well as the process of funding grants in two tranches, with the second tranche not paid until satisfactory progress has been made. While the reputational risk of being associated with an errant charity partner is of concern to all charitable organisations, the Foundation attempts to lessen this through its due diligence process. In addition, the Foundation does not deal directly with beneficiaries of our charity partners.

Fundraising

The Trustees are aware of the additional disclosure requirements and guidance of The Charities (Protection and Social Investment) Act 2016; the updated Charity Commission's guidance - Charity fundraising trustee duties (CC20); and the Institute of Fundraising handbook - Trustees and fundraising: a practical handbook; however, as the Foundation does not raise funds via direct contact with the general public, these are considered to be not applicable at the present time.

COVID-19 Risk Management

The Swarovski Foundation is funded by Swarovski AG, and does not rely on fund-raising for its income. It has no staff of its own, and services of several UK and Austrian-based staff are donated by the Swarovski businesses in those countries. It has no volunteers.

The Swarovski Foundation does not deliver services directly to beneficiaries, but funds other charitable organisations. Its primary financial asset is cash, it does not have investments. Likewise, its primary financial liabilities are the grants payable to its charity partners; there are no pension or other financial liabilities.

Swarovski Foundation is in close contact with its charity partners to understand how the crisis is impacting these organisations.

The overall Swarovski business is financially healthy, yet like many retail businesses, had felt the liquidity impact of Covid-19 with a large number of stores closed globally during 2020 and early 2021, but many are now reopen and on-line sales healthy. Swarovski AG is expected to continue to support the Swarovski Foundation as it has in the past.

SWAROVSKI FOUNDATION
REPORT OF THE TRUSTEES (continued)
FOR THE YEAR ENDED 31 DECEMBER 2020

Trustees are mindful that as a corporate foundation, the Swarovski Foundation is supported by the wider business and specifically by Swarovski AG, and share confidence in the Swarovski group. The Swarovski Foundation is part of the overall group budgeting and rolling forecast processes.

Trustees' responsibilities statement

The Trustees (who are also directors of the Swarovski Foundation for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Provision of information to the auditor

The Trustees who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the Trustees has confirmed that they have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

On behalf of the board



N Swarovski Trustee

12 July 2021

**SWAROVSKI FOUNDATION
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS
FOR THE YEAR ENDED 31 DECEMBER 2020**

Opinion

We have audited the financial statements of Swarovski Foundation for the year ended 31 December 2020 which comprise the statement of financial activities, balance sheet, 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 charitable company's state of affairs as at 31 December 2020 and of its incoming resources and application of resources, including its income and expenditure, 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 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 charitable 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 trustees' 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 charitable 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 trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. 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 course of the audit

**SWAROVSKI FOUNDATION
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS
FOR THE YEAR ENDED 31 DECEMBER 2020**

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.

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 Report of the Trustees which includes the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees which includes 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us 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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and to take advantage of the small companies exemption in preparing the Trustees' Annual Report and the Strategic Report.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 9, the trustees (who are also directors of the charitable company for the purposes of company law) 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 trustees are responsible for assessing the charitable 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 trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under the Companies Act 2006 and report in accordance with regulations made under that Act.

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.

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the charitable company's financial statements to material misstatement and how fraud might occur, including through discussions with informed management, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the charitable company by discussions with informed management and updating our understanding of the sector in which the charitable company operates.

Laws and regulations of direct significance in the context of the charitable company include the Companies Act 2006, and guidance issued by the Charity Commission for England and Wales.

Audit response to risks identified:

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the charitable company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the charitable company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

**SWAROVSKI FOUNDATION
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS
FOR THE YEAR ENDED 31 DECEMBER 2020**

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. 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 is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable 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 charitable 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



.....
Liz Hazell (Senior Statutory Auditor)
for and on behalf of Saffery Champness LLP

Chartered Accountants	71 Queen Victoria Street
Statutory Auditors	London
	EC4V 4BE

Date: 16 July 2021.

Saffery Champness LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

SWAROVSKI FOUNDATION
STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2020

		2020	2019
		Unrestricted & total funds	Unrestricted & total funds
	Note		As restated
		£	£
Income:			
Donations and legacies	2, 8	1,153,600	957,975
Total Income		<u>1,153,600</u>	<u>957,975</u>
Expenditure:			
Expenditure on charitable activities	3, 8	853,222	1,406,372
Total expenditure		<u>853,222</u>	<u>1,406,372</u>
Net income / (expenditure)		300,378	(448,397)
Other gains /(losses) - foreign exchange		(34,599)	2,062
Net movement in funds for the year		<u>265,779</u>	<u>(446,355)</u>
Total funds / (deficit) brought forward		<u>(403,977)</u>	<u>42,358</u>
Total (deficit) / funds carried forward	8	<u><u>(138,198)</u></u>	<u><u>(403,977)</u></u>

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes on pages 17 to 25 form part of these financial statements. Note 15 shows the impact of the prior year restatement.

**SWAROVSKI FOUNDATION
BALANCE SHEET
AS AT 31 DECEMBER 2020**

	Note	2020 £	2019 As restated £
Current assets			
Cash at bank and in hand		514,872	547,239
		<u>514,872</u>	<u>547,239</u>
Liabilities			
Creditors: amounts falling due within one year	6	(619,245)	(481,296)
Net current (liabilities) / assets		<u>(104,373)</u>	<u>65,943</u>
Creditors: amounts falling due after one year	7	(33,825)	(469,920)
Net (liabilities) / assets		<u>(138,198)</u>	<u>(403,977)</u>
Funds			
Unrestricted funds			
General funds		(296,048)	(446,697)
Designated funds		157,850	42,720
Total (deficit) / funds	8	<u>(138,198)</u>	<u>(403,977)</u>

The notes on pages 17 to 25 form part of these financial statements.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

Approved and authorised for issue on behalf of the Trustees by:


..... Trustee
N Swarovski

.....12 July..... 2021

Company Registration No. 08325666 (England and Wales)

SWAROVSKI FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020

		2020	2019
	Note		
		£	£
Cash flow from / (used in) operating activities:			
Net cash provided by operating activities and change in cash and cash equivalents in the reporting period	13	(32,367)	45,324
Cash and cash equivalents at the beginning of the reporting period		547,239	501,915
Cash and cash equivalents at the end of the reporting period		<u><u>514,872</u></u>	<u><u>547,239</u></u>

1 Accounting policies

Swarovski Foundation is a private company limited by guarantee incorporated in England and Wales. The registered office is 2nd floor, 21 Sackville Street, London W1S 3DN.

The principal accounting policies adopted, judgements and key sources of estimating uncertainty in the preparation of the financial statements are as follows:

1.1 Accounting convention

Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK (FRS 102), Charities SORP (FRS 102), and the Companies Act 2006.

The Swarovski Foundation meets the definition of a public benefit entity under FRS 102. Assets and liabilities are recognised at the historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The financial statements are prepared in sterling, which is the financial currency of the Foundation. Monetary amounts in these financial statements are rounded to the nearest £.

The 2019 financial statements have been restated to reflect the reclassification of the charitable grant-making activity for the Swarovski Foundation Community Engagement programme as a designed fund rather than at 31 December 2019, rather than a grant payable. The impact of this is shown in note 15.

1.2 Going concern

The net deficit position in the financial statements arises from a timing difference between income received to fund grant commitments and the recording of full grant commitments as a liability on the balance sheet. The Trustees have received confirmation from Swarovski AG that funding will be received from Swarovski AG as the need to make payment of grant instalments arises. Accordingly, the Trustees have satisfied themselves that the Foundation remains a going concern and the going concern basis of accounting remains appropriate.

1.3 Income

1.3.1 Donations and gifts

Income is recognised in the period in which there is probability of receipt, the charity is entitled to receipt and the amount can be measured with reasonable certainty.

1.3.2 Donated services

Donated services are recognised as income and expenditure in the financial statements when companies and individuals provide their professional expertise pro bono. The value of these donated services is considered to be equivalent to the market value which would have been paid by the Foundation had the service been formally procured.

1.3.3 Investment income

Investment income is accounted for on a receivable basis.

1.4 Expenditure

Expenditure is included on an accruals basis including irrecoverable VAT. Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the Foundation to the expenditure.

1.4.1 Grants

The value of grants is recognised in full as expenditure in the year when the Foundation creates a legal or constructive obligation, even where they may be multi-year in nature. Typically, this arises when an unconditional grant offer has been communicated to the recipient. The notification gives the recipient a reasonable expectation that they will receive the one year or multi-year grant.

1.4.2 Governance costs

Governance costs are the costs involved in the constitutional and statutory aspects of running the Foundation as a legal entity.

1.4.3 Other costs

Other direct and support costs are allocated to the appropriate activity as the cost is incurred, or on the basis of the estimated time spent on the activity.

1.5 Funds

Unrestricted Funds comprise those funds, which the trustees are free to use in accordance with the charitable objects. Designated funds are unrestricted funds of the Foundation which the trustees have decided at their discretion to set aside to use for a specific purpose.

Restricted funds are funds received where the donor has indicated that they can only be spent on specific projects.

1.6 Foreign currency translation

Foreign currency transactions are translated into pounds sterling at the exchange rate prevailing at the transaction date. Monetary assets and liabilities are retranslated at the rate of exchange ruling at the balance sheet date.

1.7 Areas of judgement and uncertainties

In the application of the Foundation's accounting policies, the trustees are required to make judgements, estimates and assumptions. These are based on historical experience and other relevant factors. The estimates and underlying assumptions are reviewed on an ongoing basis.

Donated services have been estimated and consist of staff time and consultancy services donated by Swarovski UK, Swarovski North America and D Swarovski KG in respect of management of the grants programme, legal services and finance and administration services.

1.8 Financial instruments

The Foundation only has financial assets and 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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method. There were no bank loans in the year.

SWAROVSKI FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2020

2 Voluntary income

	2020	2019
	£	£
Donation–Swarovski AG	760,138	635,139
Donated service–Swarovski North America	43,823	-
Donated service–Swarovski UK	279,887	251,958
Donated service–D Swarovski KG	69,752	70,878
	<u>1,153,600</u>	<u>957,975</u>

Donated services have been estimated and consist of staff time and consultancy services donated by Swarovski UK, Swarovski North America and D Swarovski KG in respect of management of the grants programme, legal services and finance and administration services.

3 Charitable activities

Grant making	2020	2019
	£	As restated £
The Nature Conservancy	-	260,370
British Red Cross	-	34,588
Blue Marine Foundation	-	43,235
NAACP LDF	22,350	-
Equal Justice Initiative	22,652	-
Jane Goodall	26,169	-
Teach for Thailand	34,892	-
Room to Read	34,892	-
UNFPA	45,165	-
VOW to End Child Marriage	9,033	-
Turquoise Mountain	27,099	-
Conservation International	-	43,235
Australian Red Cross	42,720	-
Plastic Ocean Project (2019: cancelled)	-	(78,000)
Barefoot College	34,892	-
Nest Inc	824	195,278

SWAROVSKI FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2020

Charitable activities (continued)	2020	2019
	£	As restated £
Identity 2020	4,565	-
FIT Foundation	3,918	-
Whitechapel Gallery	25,000	8,647
Women for Women	43,615	52,074
Central Saint Martins	27,099	-
Mothers 2 Mothers	43,615	52,075
Street Business School (was previously Bead for Life)	-	43,395
Sustainable Ocean Alliance	-	86,470
Superar	-	25,940
Waterkeepers	-	43,235
Teach for Austria	-	260,370
Support costs (see below, next page)	365,680	288,280
Governance costs (Note 4)	39,041	47,180
	<u>853,222</u>	<u>1,406,372</u>
	2020	2019
	£	£
Support costs:		
Grant administration	340,166	262,638
Finance and administration	7,986	7,957
Legal and professional	17,528	17,685
	<u>365,680</u>	<u>288,280</u>

Included above is a notional cost of £365,680 in respect of donated services (2019: £288,280).

SWAROVSKI FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2020

4 Governance costs

	2020	2019
	£	£
Legal, professional, finance and administration	26,146	34,555
Audit and accountancy	10,200	9,240
Communication & Promotion	1,635	2,365
Other support costs	1,060	1,020
	<u>39,041</u>	<u>47,180</u>

Included above is a notional cost of £27,782 in respect of donated services (2019: £34,556).

Net income / (expenditure) is stated after charging:

	2020	2019
	£	£
Auditors' remuneration	<u>10,200</u>	<u>9,240</u>

5 Staff costs, trustee remuneration and expenses, and the cost of key management personnel

The Foundation has no directly employed staff and engages the services of key management personnel and staff employed by Swarovski UK, Swarovski North America and D Swarovski KG in respect of the management of the grants programme, legal services and finance and administration services. The aggregate cost of this was £393,462 (2019: £322,835).

The trustees received no remuneration nor had any expenses reimbursed during the period.

The total employee benefits of the key management personnel of the Foundation were £90,935 (2019: £84,229).

6 Creditors: amounts due within one year

	2020	2019
	£	As restated £
Accruals	10,200	9,240
Other creditors – grants payable	609,045	472,056
	<u>619,245</u>	<u>481,296</u>

SWAROVSKI FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2020

7	Creditors: amounts due after one year				2020 £	2019 £
	Grants payable (due within 1-2 years)				33,825	469,920
					33,825	469,920
8	Funds					
	2020	Funds b/fwd	Incoming resources	Resources expended	Gains/ (Losses)	Deficit c/fwd
		£	£	£	£	£
	General unrestricted funds	(446,697)	1,040,687	(853,222)	(36,816)	(296,048)
	Designated funds:					
	Community Engagement	42,720	-	-	2,380	45,100
	Creatives for Our Future	-	112,913	-	(163)	112,750
	Total funds	(403,977)	1,153,600	(853,222)	(34,599)	(138,198)
	2019, as restated	Deficit b/fwd	Incoming resources	Resources expended	(Losses) / Gains	Funds c/fwd
		£	£	£	£	£
	General unrestricted funds	42,358	914,740	(1,406,372)	2,577	(446,697)
	Designated funds:					
	Community Engagement	-	43,235	-	(515)	42,720
	Creatives for Our Future	-	-	-	-	-
	Total funds	42,358	957,975	(1,406,372)	2,577	(403,977)

The Community Engagement programme supports individual charitable initiatives; it has been delayed due to office closures from Covid-19 restrictions. Creatives for Our Future is a new global grant programme designed with advisor the United Nations Office for Partnerships to identify and accelerate the next generation of creative leaders in sustainability. It has already commenced in 2021.

SWAROVSKI FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2020

9 Analysis of net assets by fund

2020

	Cash at bank	Current Assets/ Liabilities	Creditors Over 1 year	Total
	£	£	£	£
Funds				
Unrestricted funds				
General funds	357,022	(619,245)	(33,825)	(296,048)
Designated funds	157,850	-	-	157,850
	<u>514,872</u>	<u>(619,245)</u>	<u>(33,825)</u>	<u>(138,198)</u>

2019, as restated

	Cash at bank	Current Assets/ Liabilities	Creditors Over 1 year	Total
	£	£	£	£
Funds				
Unrestricted funds				
General funds	504,519	(481,296)	(469,920)	(446,697)
Designated funds	42,720	-	-	42,720
	<u>547,239</u>	<u>(481,296)</u>	<u>(469,920)</u>	<u>(403,977)</u>

10 Company status

In the case of winding up, each member (who is also a trustee) has guaranteed to contribute an amount not exceeding £10 (2019: £10).

11 Controlling party

The Swarovski Foundation is controlled by its Trustees. Nadja Swarovski is the sole member of the Swarovski Foundation and may have a greater degree of control than the other Trustees in some respects, as defined by the updated Memorandum and Articles of Association.

12 Related party transactions

During the year, Swarovski AG donated £760,138 (2019: £635,139) to the Foundation. Additionally, D Swarovski KG donated services valued at £69,752 (2019: £70,878). Swarovski UK donated services valued at £279,887 (2019: £251,958) and Swarovski North America donated services to the Foundation of £43,823 (2019: Nil) (see note 2). Swarovski AG, D Swarovski KG, Swarovski North America and Swarovski UK are considered related parties of the Foundation by virtue of N Swarovski,

SWAROVSKI FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2020

who is a Trustee of the Foundation and exerts significant influence over Swarovski AG, D Swarovski KG and Swarovski UK by virtue of her role on the Executive Board of the Swarovski Group.

In 2019, Paul van Zyl, a trustee of the Swarovski Foundation, was also a trustee of Nest Inc, which received a 3-year grant of £195,278 during the year. Mr van Zyl abstained from any involvement or voting on proposals relating to Nest Inc.

There were no other related party transactions in the year.

13 Reconciliation of net movement in funds to net cash flow from operating activities

	2020	2019
	£	As restated
		£
Net (expenditure) / income for the reporting period (as per the statement of financial activities)	265,779	(446,335)
Adjustments for:		
Decrease / (increase) in debtors	-	4,500
Increase / (decrease) in creditors	(298,146)	487,159
Net cash (used in) / provided by operating activities	<u>(32,367)</u>	<u>45,324</u>

14 Analysis of changes in net debt

2020	At start of year	Cashflows	At end of year
	£	£	£
Cash	547,239	(32,367)	514,872
Total	<u>547,239</u>	<u>(32,367)</u>	<u>514,872</u>
2019	At start of year	Cashflows	At end of year
	£	£	£
Cash	501,915	45,324	547,239
Total	<u>501,915</u>	<u>45,324</u>	<u>547,239</u>

SWAROVSKI FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2020

15 Impact of prior year adjustment

<u>Changes to balance sheet</u>	As previously reported at 31 December 2019 £	Adjustment (see below explanation) £	As restated at 31 December 2019 £
Current assets			
Cash at bank	547,239		547,239
Liabilities			
Creditors: amounts falling due within one year	(524,016)	42,720	(481,296)
Net current assets	23,223	42,720	65,943
Creditors: amounts falling due after one year	(469,920)		(469,920)
Net assets	(446,697)	42,720	(403,977)
Funds			
Unrestricted general funds	(446,697)	-	(446,697)
Designated funds	-	42,720	42,720
Total funds	(446,697)	42,720	(403,977)
 <u>Changes to statement of financial activities</u>			
Income			
Donations and legacies	957,975	-	957,975
Expenditure			
Expenditure on charitable activities	1,449,607	(43,235)	1,406,372
Net (expenditure) / income	(491,632)	43,235	(448,397)
Other gains / (losses)	2,577	(515)	2,062
Net movement in funds	(489,055)	42,720	(446,335)
Funds brought forward	42,358	-	42,358
Funds carried forward	(446,697)	42,720	(403,977)

The 2019 financial statements have been restated to reflect the reclassification of the charitable grant-making activity for the Swarovski Foundation Community Engagement programme as a designated fund at 31 December 2019, rather than a grant payable. Creditors and expenditure have been restated as a result of this.