

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



**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

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**SWAROVSKI FOUNDATION  
LEGAL AND ADMINISTRATIVE INFORMATION**

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<b>Trustee</b>	Marisa Schiestl-Swarovski (Chairperson) Helene Antonia von Damm Evelyn Haim Swarovski (Appointment 25 Jan 2022) Anouchka Rafail-Vogiatzakis (Appointment 11 Feb 2022) Nadja Swarovski (Resignation 31 Dec 2021) Paul van Zyl (Resignation 21 Jan 2022) Jonathan Edward Michener Baillie (Resignation 24 Jan 2022) Lorenza (aka Mimma) Viglezio (Resignation 21 Jan 2022) Teri Ellen Schwartz (Resignation 4 Feb 2022) Melanie Grieder-Swarovski (Resignation 4 Feb 2022)
<b>Director</b>	Jakhya Rahman-Corey
<b>Bankers</b>	HSBC 9 The Boulevard Crawley West Sussex RH10 1UT
<b>Registered office</b>	1st Floor, Building 4 Chiswick Park, 566 Chiswick High Road, London, W4 5YE
<b>Independent Statutory Auditor</b>	Saffery Champness LLP 71 Queen Victoria Street London EC4V 4BE
<b>Company Registration No.</b>	08325666 (England and Wales)
<b>Charity Registration No.</b>	1153618

**SWAROVSKI FOUNDATION  
REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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The Trustees of the Swarovski Foundation present their annual report and financial statements for the year ended 31 December 2021, 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 and governance**

The Swarovski 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 Swarovski Foundation were updated in February 2022. The updated Memorandum and Articles of Association recognise that Marisa Schiestl-Swarovski is the sole member of the Foundation and has the right to appoint Trustees (directors) by way of an ordinary resolution. Furthermore, the Memorandum and Articles of Association removed the minimum number of Trustees required in office. The process of recruiting Trustees are under review by current Trustees and the Swarovski Foundation team. The initial process is to identify Trustee skillsets required by the organisation to fulfil its charitable objectives and subsequently seek Trustees with the relevant skills and experience to support the Swarovski Foundation.

The Swarovski 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 Swarovski 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 12 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.

**SWAROVSKI FOUNDATION**  
**REPORT OF THE TRUSTEES** (continued)  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

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The Swarovski 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. Furthermore, there is an extensive due diligence framework to ensure the pursuit of the public benefit and the mitigation of risk of support charities and/or organisations in accordance to Charity Commission guidance.

The Trustees are aware of the principles of the Charity Governance Code for larger charities: organisational purpose, leadership, integrity, decision making, risk & control, board effectiveness, diversity, integrity and openness and accountability. 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).

## **SWAROVSKI FOUNDATION STRATEGY OBJECTIVES**

### **Vision**

Spark change for good

### **Mission**

The Swarovski Foundation aims to build on its heritage to foster creativity, promote human empowerment, preserve the environment to achieve a more inclusive and equitable society whilst creating protections for the environment

### **Striving for Impact**

The United Nations Sustainable Development Goals (SDGs) 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 are the best practice for modern philanthropy, providing a 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 achieves greater impact.

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. Currently, we have identified 8 global goals that we aim to follow and incorporate into the Swarovski Foundation strategy.

**SWAROVSKI FOUNDATION**  
**REPORT OF THE TRUSTEES** (continued)  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

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**Objectives**

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

- 1) **Culture and Creativity** - Increase access to the creative industry through education, jobs, innovation and sustainable economic growth
- 2) **Human Empowerment** - Increase youth and gender rights through education and empowerment programmes
- 3) **Environment** - Increase protection of water and biodiversity through education and climate change mitigation

**SWAROVSKI FOUNDATION VISUALISATION OF STRATEGIC OBJECTIVES**



Image Credits to Swarovski Foundation Charity Partners:  
Nest, Mothers2Mothers, Room to Read, Blue Marine Foundation and The Nature Conservancy

**SWAROVSKI FOUNDATION**  
**REPORT OF THE TRUSTEES** (continued)  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

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**Delivering Objectives**

The Swarovski Foundation as a grant giving body seeks to empower organisations through grants, advocacy and engagement to fulfil our mission for a more inclusive and equitable society whilst creating protections for the environment.

- 1) 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.
- 2) Advocacy and Engagement** – We believe to truly enact change requires individuals, communities and overall society to be aware of social and environmental challenges to take action to remedy the issue. For people to be made aware of these issues requires communication across many platforms to help empower people to understand the challenges presented and seek solutions.

Therefore, the Swarovski Foundation role in addition to delivering grants is to communicate, advocate and engage society to mobilise effective and sustainable change. For example, by raising awareness and advocating causes to global Swarovski employees could lead to future volunteer and/or fundraise opportunities for charities which can create further positive impact.

**Significant activities that contribute to the achievement of the stated objectives in the year ending 31 December 2021:**

**Global Partnerships** – In 2021 The Swarovski Foundation has supported 24 organisations and 3 global emergencies in 38 different countries, reaching a total of 25,875 people directly: 5,053 of those under the pillar of Culture and Creativity, 14,212 under the pillar of Human Empowerment and 6,610 under the pillar of Environment.

**Advocacy and Engagement** – The Swarovski Foundation believes in the power of engaging both internal and external stakeholders to create a ripple effect of impact. The Swarovski Foundation regularly sets up various engagement activities that aim to drive both more awareness and concrete actions to activate change.

In 2021, the Swarovski Foundation carried out various advocacy and engagement efforts with a focus on digital engagement due to the limitations of the global pandemic by organising 8 virtual in conversation events which allowed our stakeholders to join from all over the world. Over 35 email marketing newsletters were distributed to our network to keep them informed and educated on the work of our partners. Raised awareness of key topics across all of our digital platforms including Instagram through 600 posts reaching 576,000 people and the Swarovski Foundation website reaching 15,000 users with an above average user time of 2 minutes.

**SWAROVSKI FOUNDATION**  
**REPORT OF THE TRUSTEES** (continued)  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

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**Significant activities that contribute to the achievement of the stated objectives in the year ending 31 December 2021:**

**Launch of a new programme - Creatives for our Future** - Due to the COVID-19 pandemic many creative talents experienced many challenges to access the creative industry. At the Swarovski Foundation, we reflected the impact this caused not only for creativity but also for society and the environment, as many creative and innovative solutions help people and planet.

In April 2021, the Swarovski Foundation launched a programme called Creatives For Our Future, a global mentorship and grant initiative, in collaboration with the United Nations Office for Partnerships. The programme sought to identify and accelerate the next generation of creative leaders in sustainable development.

Creatives For Our Future builds on the Swarovski Foundation's commitment to foster creativity that will drive positive change through cultural, educational and advocacy collaborations. The cornerstone of the Swarovski Foundation's work is the 17 Sustainable Development Goals, in turn these goals were the anchor for our Creatives For Our Future programme.

Creatives For Our Future was an open-submission initiative, to which creatives aged 18 to 25 of all nationalities were invited to enter ideas for sustainable innovation. The Swarovski Foundation received 400 submissions from 72 countries, from which nine successful applicants were chosen.

They come from nine different countries, and represent a wide range of disciplines, including fashion, product design, biotechnologies, architecture, engineering and the visual arts. All share a focus on sound environmental and human practices.

The programme aimed to leverage the Swarovski Foundation's ability to combine investment and education with a stakeholder network crossing borders and industries. As well as funding, the Swarovski Foundation assembled an international team of 28 advocates to provide tailored mentorship and training, making the programme a unique digital teaching and learning platform.

The cohort embarked on the eight-month program and taking in a week-long digital summit which featured some of the world's leading thinkers in sustainability and creativity. The cohort presented their final projects at a virtual graduation event in December 2021.

Please find enclosed here the Creatives for our Future Impact report, for more information: ([LINK](#))



**SWAROVSKI FOUNDATION**  
**REPORT OF THE TRUSTEES** (continued)  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

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**Future Considerations and COVID-19**

A year on from the start of the COVID-19 pandemic, and the impact continues to be felt in society and charities.

The Swarovski Foundation recognises that COVID-19 had 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 their objective.

Many of the Swarovski Foundation charity partners shared their concern of funds withdrawn from them as other funders redirected efforts to other causes. 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**

In awarding Grants, the Trustees apply the following principles:

- a) Alignment with the Swarovski Foundation's mission and objective to support charitable initiatives and organisations working in three focus areas: culture and creativity, human empowerment and the environment.
- b) Alignment to the United Nations Sustainable Development Goals to deliver greatest impact.
- c) To support any charitable organisation, trust, association, or institution that help broaden our advocacy and engagement efforts including but not limited to key geographical locations, synergies with other charity partners and opportunities for Swarovski colleagues to fundraise/volunteer for organisations.
- d) Exclusions - Due to the limited capacity of the Swarovski Foundation we do 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.

**SWAROVSKI FOUNDATION**  
**REPORT OF THE TRUSTEES** (continued)  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

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## **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.

## **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 9. 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.

## **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, US and Austrian-based staff are donated by the Swarovski businesses in those countries. It has no volunteers.

Its primary financial asset is cash, it does not have investments. Likewise, its primary financial liabilities are the grants payable to its charity partners and programs; 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.

**SWAROVSKI FOUNDATION**  
**REPORT OF THE TRUSTEES** (continued)  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

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**Financial Review**

Incoming resources of £1,291,607 (2020: £760,138) were received in the year, primarily in the form of grants from Swarovski AG, whilst resources of £1,150,498 (2020: £459,761) were expended within the year. In addition to these amounts, the Statement of Financial Activities also recognises incoming resources and equivalent expenditure of £462,510 (2020: £393,462) representing an estimate of services donated by the Swarovski Group in 2021 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 2021, the net assets of the Swarovski Foundation amounted to £9,417 (2020: net liabilities of £138,198). The net asset position is positive compared to 2020, as incoming funding for a designated funds programme (Creatives for Our Future) was received in 2021, but charitable activities will be recognised in 2022. 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 2021, the Foundation is in a positive reserves position of £9,417 (2020: negative reserves of £138,198). The Foundation does not have a specific reserves target, and is supported by the wider business, and specifically Swarovski AG, who funds the Foundation on an as-needed basis.

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 such as the Creatives for Our Future programme, but this remains at their discretion.

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.

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.

**SWAROVSKI FOUNDATION**  
**REPORT OF THE TRUSTEES** (continued)  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

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**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.

**SWAROVSKI FOUNDATION**  
**REPORT OF THE TRUSTEES** (continued)  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

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**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



.....  
M Schiestl-Swarovski Trustee

31 August 2022

**SWAROVSKI FOUNDATION  
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS  
YEAR ENDED 31 DECEMBER 2021**

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**Opinion**

We have audited the financial statements of Swarovski Foundation for the year ended 31 December 2021 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 2021 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.

**SWAROVSKI FOUNDATION**  
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS** (continued)  
**YEAR ENDED 31 DECEMBER 2021**

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**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 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 Trustees' Annual Report which includes the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report 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 Trustees' Annual Report.

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.

**SWAROVSKI FOUNDATION**  
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS** (continued)  
**YEAR ENDED 31 DECEMBER 2021**

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**Responsibilities of trustees**

As explained more fully in the Trustees' Responsibilities Statement set out on page 10, 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 the trustees, 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 trustees 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.

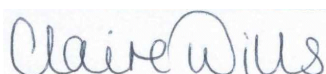
During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of 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.

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](http://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.



.....  
Claire Wills (Senior Statutory Auditor)  
for and on behalf of Saffery Champness LLP

Chartered Accountants  
Statutory Auditors  
Date: 07 September 2022

71 Queen Victoria Street  
London  
EC4V 4BE

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 2021**

		<b>2021</b>	<b>2020</b>
		<b>Unrestricted &amp; total funds</b>	<b>Unrestricted &amp; total funds</b>
	<b>Note</b>	<b>£</b>	<b>£</b>
<b>Income:</b>			
Donations and legacies	<b>2, 8</b>	1,754,117	1,153,600
<b>Total Income</b>		1,754,117	1,153,600
<b>Expenditure:</b>			
Expenditure on charitable activities	<b>3, 8</b>	1,613,007	853,222
<b>Total expenditure</b>		1,613,007	853,222
<b>Net income / (expenditure)</b>		141,110	300,378
Other gains / (losses) - foreign exchange		6,505	(34,599)
<b>Net movement in funds for the year</b>		147,615	265,779
Total funds / (deficit) brought forward		(138,198)	(403,977)
<b>Total funds / (deficit) carried forward</b>	<b>8</b>	9,417	(138,198)

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 19 to 28 form part of these financial statements.

**SWAROVSKI FOUNDATION  
BALANCE SHEET  
AS AT 31 DECEMBER 2021**

		<b>2021</b>	<b>2020</b>
	<b>Note</b>	<b>£</b>	<b>£</b>
<b>Current assets</b>			
Cash at bank and in hand		564,424	514,872
Prepayments		32,500	-
		<u>596,924</u>	<u>514,872</u>
<b>Liabilities</b>			
Creditors: amounts falling due within one year	<b>6</b>	(455,523)	(619,245)
<b>Net current assets / (liabilities)</b>		<u>141,401</u>	<u>(104,373)</u>
Creditors: amounts falling due after one year	<b>7</b>	(131,984)	(33,825)
<b>Net assets / (liabilities)</b>		<u>9,417</u>	<u>(138,198)</u>
<b>Funds</b>			
Unrestricted funds			
General funds		(184,678)	(296,048)
Designated funds		194,094	157,850
<b>Total funds / (deficit)</b>	<b>8</b>	<u>9,417</u>	<u>(138,198)</u>

The notes on pages 19 to 28 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:

On behalf of the board



.....  
M Schiestl-Swarovski Trustee

31 August 2022

**SWAROVSKI FOUNDATION  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

		<b>2021</b>	<b>2020</b>
	<b>Note</b>		
		<b>£</b>	<b>£</b>
<b>Cash flow from / (used in) operating activities:</b>			
Net cash provided by operating activities and change in cash and cash equivalents in the reporting period	<b>13</b>	49,552	(32,367)
Cash and cash equivalents at the beginning of the reporting period		514,872	547,239
<b>Cash and cash equivalents at the end of the reporting period</b>		<u>564,424</u>	<u>514,872</u>

**SWAROVSKI FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**1 Accounting policies**

Swarovski Foundation is a private company limited by guarantee incorporated in England and Wales. The registered office is 4th 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 £.

**1.2 Going concern**

Total funds were positive in 2021, although there was a deficit in unrestricted general funds. This 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.

**SWAROVSKI FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS** (continued)  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

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**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 Advocacy and Engagement and 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. There were no restricted funds in 2021 nor 2020.

**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.

**SWAROVSKI FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS** (continued)  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

**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.

**2 Voluntary income**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Donation-Swarovski AG	1,283,694	760,138
Donated service-Swarovski North America	105,910	43,823
Donated service-Swarovski UK	286,208	279,887
Donated service-D Swarovski KG	70,392	69,752
Donation - other funding	7,913	-
	<u>1,754,117</u>	<u>1,153,600</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.

**SWAROVSKI FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS** (continued)  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

<b>3</b>	<b>Charitable activities</b>	<b>2021</b>	<b>2020</b>
	<b>Grant making</b>	<b>£</b>	<b>£</b>
	Womankind	17,200	-
	CFDA	116,100	-
	Blue Marine Foundation	64,343	-
	NAACP LDF	-	22,350
	Equal Justice Initiative	64,343	22,652
	Jane Goodall	-	26,169
	Teach for Thailand	-	34,892
	Room to Read	4,516	34,892
	UNFPA	4,517	45,165
	VOW to End Child Marriage (2021 cancelled, reallocated)	(9,033)	9,033
	Turquoise Mountain	-	27,099
	Conservation International	42,895	-
	Australian Red Cross	-	42,720
	Design Museum	64,342	-
	Barefoot College	-	34,892
	Identity 2021	-	4,565
	FIT Foundation	-	3,918
	Whitechapel Gallery	-	25,000
	Women for Women	42,825	43,615
	Central Saint Martins	128,685	27,099
	Mothers 2 Mothers	42,851	43,615
	Fashion Council Germany	128,685	-
	Nest Inc	-	824
	Young Minds	42,851	-
	National Aids Trust	42,851	-



**SWAROVSKI FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS** (continued)  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

<b>Charitable activities (continued)</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
UNHCR	42,825	-
ACE	42,851	-
Reserved for Action Fund	21,448	-
Creatives for Our Future (grants to individuals)	98,312	-
Subtotal Grants	<u>1,003,406</u>	<u>448,501</u>
Support costs (see below)	564,758	367,315
Governance costs (Note 4)	<u>44,843</u>	<u>37,406</u>
	<u>1,613,007</u>	<u>853,222</u>
	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Support costs:		
Grant administration	413,708	340,166
Advocacy and engagement	132,787	1,635
Finance and administration	5,920	7,986
Legal and professional	<u>12,343</u>	<u>17,528</u>
	<u>564,758</u>	<u>367,315</u>

Included above is a notional cost of £431,971 in respect of donated services (2020: £367,315).

**SWAROVSKI FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS** (continued)  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

**4 Governance costs**

	<b>2021</b> <b>£</b>	<b>2020</b> <b>£</b>
Legal, professional, finance and administration	30,538	26,146
Audit and accountancy	11,040	10,200
Other governance costs	3,265	1,060
	<u>44,843</u>	<u>37,406</u>

Included above is a notional cost of £30,538 in respect of donated services (2020: £26,146).

**Net income / (expenditure) is stated after charging:**

	<b>2021</b> <b>£</b>	<b>2020</b> <b>£</b>
Auditors' remuneration	11,040	10,200
	<u>11,040</u>	<u>10,200</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 £451,075 (2020: £393,462).

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 £86,518 (2020 equivalent: £81,842).

**SWAROVSKI FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS** (continued)  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

<b>6</b>	<b>Creditors: amounts due within one year</b>	<b>2021</b> <b>£</b>	<b>2020</b> <b>£</b>
	Accruals	28,300	10,200
	Other creditors – grants payable	394,723	609,045
	Other creditors – advocacy and engagement contract	32,500	-
		<u>455,523</u>	<u>619,245</u>

In addition to the £32,500 included in creditors, at the year end, the Foundation is also contractually committed to a further spend of £32,500 in relation to engagement during 2022.

<b>7</b>	<b>Creditors: amounts due after one year</b>	<b>2021</b> <b>£</b>	<b>2020</b> <b>£</b>
	Grants payable (due within 1-2 years)	<u>131,985</u>	<u>33,825</u>
		<u>131,985</u>	<u>33,825</u>

**8 Funds**

<b>2021</b>	<b>Funds b/fwd</b>	<b>Incoming resources</b>	<b>Resources expended</b>	<b>Gains/ (Losses)</b>	<b>Funds c/fwd</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
General unrestricted funds	(296,048)	1,608,274	(1,514,695)	17,792	(184,678)
Designated funds:					
Employee programme	45,100	-	-	(3,200)	41,900
Creatives for our Future	112,750	145,843	(98,312)	(8,087)	152,194
<b>Total funds</b>	<b>(138,198)</b>	<b>1,754,117</b>	<b>(1,613,007)</b>	<b>6,505</b>	<b>9,417</b>
<b>2020</b>	<b>Deficit b/fwd</b>	<b>Incoming resources</b>	<b>Resources expended</b>	<b>(Losses) / Gains</b>	<b>Funds c/fwd</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
General unrestricted funds	(446,697)	1,040,697	(853,222)	(36,816)	(296,048)
Designated funds:					
Employee programme	42,720	-	-	2,360	45,100
Creatives for our Future	-	112,913	-	(163)	112,750
<b>Total funds</b>	<b>(403,977)</b>	<b>1,153,600</b>	<b>(853,222)</b>	<b>(34,599)</b>	<b>(138,198)</b>

**SWAROVSKI FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS** (continued)  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

**Funds (continued)**

The employee programme supports individual charitable initiatives of the Swarovski employees; it has continued to be delayed due to office closures from Covid-19 restrictions. Creatives for our Future identifies and mentors young (age 18-25) creatives in a variety of areas. The 2021 programme funded in 2020 completed at the end of 2021, and the incoming resources in 2021 are for the 2022 programme.

**9 Analysis of net assets by fund**

**2021**

	<b>Cash at bank</b>	<b>Other Current Assets/ Liabilities</b>	<b>Creditors Over 1 year</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Funds</b>				
Unrestricted funds				
General funds	370,330	(423,023)	(131,985)	(184,678)
Designated funds	194,094	-	-	194,094
	<u>564,424</u>	<u>(423,023)</u>	<u>(131,985)</u>	<u>9,416</u>

**2020**

	<b>Cash at bank</b>	<b>Current Assets/ Liabilities</b>	<b>Creditors Over 1 year</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Funds</b>				
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>

**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 (2020: £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.

**SWAROVSKI FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

**12 Related party transactions**

During the year, Swarovski AG donated £1,283,694 (2020: £760,138) to the Foundation. Additionally, D Swarovski KG donated services valued at £70,392 (2020: £69,752). Swarovski UK donated services valued at £286,208 (2020: £279,887) and Swarovski North America donated services to the Foundation of £105,910 (2020: £43,823) (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, who is a Trustee of the Foundation and exerts significant influence over Swarovski AG, D Swarovski KG, Swarovski UK and Swarovski North America by virtue of her role on the Executive Board of the Swarovski Group. N Swarovski resigned from the Group in December 2021.

Marisa Schiestl-Swarovski, a trustee of the Swarovski Foundation, is also a trustee of Teach for Austria, which received a 3-year grant totalling £260,370 in 2019. Ms Schiestl-Swarovski abstained from any involvement or voting proposals related to Teach for Austria.

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

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Net (expenditure) / income for the reporting period (as per the statement of financial activities)</b>	147,614	265,779
<b>Adjustments for:</b>		
Decrease / (increase) in debtors	(32,500)	-
Increase / (decrease) in creditors	(65,562)	(298,146)
<b>Net cash (used in) / provided by operating activities</b>	<u>49,552</u>	<u>(32,367)</u>

**SWAROVSKI FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

**14 Analysis of changes in net debt**

<b>2021</b>	<b>At start of year £</b>	<b>Cashflows £</b>	<b>At end of year £</b>
Cash	514,872	49,552	564,424
Total	514,872	49,552	564,424
<b>2020</b>	<b>At start of year £</b>	<b>Cashflows £</b>	<b>At end of year £</b>
Cash	547,239	(32,367)	514,872
Total	547,239	(32,367)	514,872