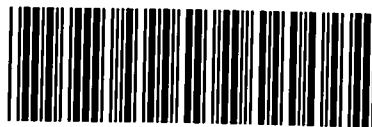


Charity Registration No. 1153618 (England and Wales)
Company Registration No. 08325666



ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

THURSDAY



ACBL1KI2

A26

07/09/2023

#10

COMPANIES HOUSE



CONTENTS

	Page
Legal and Administrative Information	1
Report of the Trustees	2
Independent Auditors' Report	11
Statement of Financial Activities	15
Balance Sheet	16
Statement of Cash Flows	17
Notes to the Financial Statements	18

**SWAROVSKI FOUNDATION
LEGAL AND ADMINISTRATIVE INFORMATION**

Trustee	Marisa Schiestl-Swarovski (Chairperson) Helene Antonia von Damm Evelyn Haim Swarovski (Appointment 25 Jan 2022) Anouchka Rafail-Vogiatzakis (Appointment 11 Feb 2022) 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)
Director of the Swarovski Foundation	Jakhya Rahman-Corey
Registered office	1st Floor, Building 4 Chiswick Park, 566 Chiswick High Road, London, W4 5YE
Bankers	HSBC 9 The Boulevard Crawley West Sussex RH10 1UT
Independent Statutory Auditor	Saffery Champness 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 2022**

The Trustees of the Swarovski Foundation present their annual report and financial statements for the year ended 31 December 2022, 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 2006, 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 2022

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

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 2022

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 2022

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.

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 with our values, code of conduct and the strategic objectives of the Swarovski Foundation.

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's role in addition to delivering grants is to communicate, advocate and engage society to mobilise effective and sustainable change.

Significant activities that contribute to the achievement of the stated objectives in the year ending 31 December 2022:

Global Partnerships

Since our inception, the Swarovski Foundation has reached more than 2 million people through 85 partnerships and 14 global emergencies across 87 countries to drive progress towards the Sustainable Development Goals. In 2022, the Swarovski Foundation has supported 16 organisations and 3 global emergencies in 24 different countries, reaching a total of 37,919 people directly:

Advocacy and Engagement

The Swarovski Foundation believes in the power of engaging stakeholders to create a ripple effect of impact and regularly organizes engagement activities that aim to drive both awareness and concrete action to initiate change.

In 2022, the Swarovski Foundation organized various advocacy, engagement, and communication efforts in alignment with key United Nations awareness days to ensure maximum visibility and impact.

Additionally, the Swarovski Foundation organized initiatives with partner Teach for Thailand which engaged 80 students during an English Class and Career Fair. Then looking at press and communication results the Swarovski Foundation distributed 5 press releases globally in 114 countries reaching 3,196 media with over 136,000 views. Raised awareness of efforts and key topics across social and digital platforms reaching 358,000 people through 200 posts on Instagram and 16,000 users through 20,000 sessions on the website.

SWAROVSKI FOUNDATION
REPORT OF THE TRUSTEES (continued)
FOR THE YEAR ENDED 31 DECEMBER 2022

Embedding our Signature Programme: The Swarovski Foundation Creatives For Our Future

Following the successful launch of the Creatives For Our Future program, a global grant and mentorship program designed in collaboration with the United Nations Office for Partnerships. The program aims to empower the next generation of creative talent to unlock innovative approaches to global sustainability challenges.

Creatives For Our Future is an open-submission initiative, to which creatives aged 21 to 30 of all nationalities are invited to enter creative ideas for sustainable innovation. The Swarovski Foundation received 230 submissions from 55 countries in 2022, from which six successful applicants were chosen.

They come from six different countries and represent a wide range of disciplines, including fashion, product design, biotechnologies, geoscience, and engineering. 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 30 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 with an announcement reception at the United Nations New York Headquarters during General Assembly week for which some of the world's leading thinkers and industry leaders in sustainability, creativity, academia, and government joined. The second-year cohort members will present their final projects at a virtual graduation event in coming April 20th, 2023.

Please visit the Creatives for our Future program website for more information: [Link](#)

SWAROVSKI FOUNDATION
REPORT OF THE TRUSTEES (continued)
FOR THE YEAR ENDED 31 DECEMBER 2022

Future Considerations

As 2023 will mark ten years of the Swarovski Foundation, the organisation will reflect on its impact to ensure we continue to serve effective public benefit.

The Swarovski Foundation recognises the position it holds as a corporate foundation. As a charity we aim to maintain and build positive relationships with charities tasked to deliver optimum impact for society and the environment.

Our relationship with the Swarovski business enables us to access resources such as funds and employees that can accelerate our global charitable efforts. Furthermore, there are legacy philanthropic programs run by the Swarovski business that the Swarovski Foundation have reviewed and assessed to determine if they are considered as an activity under the Swarovski Foundation delivering to our mission statement.

This assessment has confirmed future incorporation into the Swarovski Foundation of the Swarovski Waterschool, an educational program developed to empower young people and their communities around the world to become water ambassadors by providing tools, resources, and training to enable them to address their local water needs. The Waterschool program was established in 2000 in Austria and has since grown in a total of 8 countries in partnership with global charities to deliver this program. Since inception, the Waterschool program has educated over 800,000 children in 2,500 schools and engaged with over 23,000 teachers globally. Further details, including the likely financial impact, are provided in Note 15.

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 2022

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.

Financial Review

The Statement of Financial Activities recognises incoming resources of £2,093,871 (2021: £1,754,117) received in the year, whilst resources of £1,626,908 (2021: £1,613,007) were expended within the year. While the majority of the incoming resources are in the form of grants from Swarovski AG, these amounts also include the incoming resources and equivalent expenditure of £457,488 (2021: £462,510) representing an estimate of services donated by the Swarovski Group in 2022 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 2022, the net assets of the Swarovski Foundation amounted to £465,110 (2021: £9,417). The net asset position has increased compared to 2021, as incoming funding for a designated funds programme (Creatives for Our Future), as well as funding related to the Foundation's upcoming 10th Anniversary and its Action Fun was received in 2022, but charitable activities will be recognised in 2023. 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.

SWAROVSKI FOUNDATION
REPORT OF THE TRUSTEES (continued)
FOR THE YEAR ENDED 31 DECEMBER 2022

Reserves Policy

As noted above, as at 31 December 2022, the Foundation is in a net positive reserves position of £465,110 (2021: £9,417). This reflects free reserves at a deficit of £16,773 (2021: deficit £184,678) and designated reserves of £481,883 (2021: £194,094). The improvement in free reserves reflects the reducing liability of several multi-year grant made in 2021. As noted in the Financial Review, designated reserves have been set aside and are listed with more specifics in footnote 8. 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, 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. The Trustees have also considered the future take-on of the Swarovski Waterschool in this regard (see Note 15).

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.



SWAROVSKI FOUNDATION
REPORT OF THE TRUSTEES (continued)
FOR THE YEAR ENDED 31 DECEMBER 2022

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

A handwritten signature in black ink, appearing to read "M. Schiestl-Swarovski".

M Schiestl-Swarovski Trustee

17 August 2023

Swarovski Foundation
Independent auditor's report to the members

Opinion

We have audited the financial statements of Swarovski Foundation for the year ended 31 December 2022 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 2022 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 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.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 9 and 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.

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. 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

Chartered Accountants 71 Queen Victoria Street
 London
 EC4V 4BE

Statutory Auditors

Date: 04 September 2023

Saffery Champness 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 2022

		2022			2021
		Unrestricted	Restricted	Total	Unrestricted & total funds
	Note	£	£	£	£
Income:					
Donations and legacies	2, 8	2,089,149	4,722	2,093,871	1,754,117
Total Income		2,089,149	4,722	2,093,871	1,754,117
Expenditure:					
Expenditure on charitable activities	3, 8	1,622,186	4,722	1,626,908	1,613,007
Total expenditure		1,622,186	4,722	1,626,908	1,613,007
Net income		466,963	-	466,963	141,110
Other (losses) /gains on foreign exchange		(11,270)	-	(11,270)	6,505
Net movement in funds for the year		455,693	-	455,693	147,615
Total funds / (deficit) brought forward		9,417	-	9,417	(138,198)
Total funds carried forward	8	465,110	-	465,110	9,417

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 18 to 27 form part of these financial statements.

**SWAROVSKI FOUNDATION
BALANCE SHEET
AS AT 31 DECEMBER 2022**

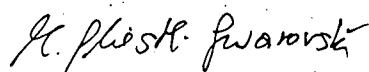
		2022	2021
	Note	£	£
Current assets			
Cash at bank and in hand		1,122,387	564,424
Prepayments		-	32,500
		<u>1,122,387</u>	<u>596,924</u>
Liabilities			
Creditors: amounts falling due within one year	6	(657,277)	(455,523)
Net current assets		465,110	141,401
Creditors: amounts falling due after one year	7	-	(131,984)
Net assets		<u>465,110</u>	<u>9,417</u>
Funds			
Unrestricted funds			
General funds		(16,773)	(184,677)
Designated funds		481,883	194,094
Total funds	8	<u>465,110</u>	<u>9,417</u>

The notes on pages 18 to 27 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

17 August 2023

**SWAROVSKI FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022**

		2022	2021
	Note		
		£	£
Cash flow from operating activities:			
Net cash provided by operating activities and change in cash and cash equivalents in the reporting period	13	557,963	49,552
Cash and cash equivalents at the beginning of the reporting period		564,424	514,872
Cash and cash equivalents at the end of the reporting period		1,122,387	564,424

**SWAROVSKI FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

1 Accounting policies

Swarovski Foundation is a private company limited by guarantee incorporated in England and Wales. The registered office is 1st Floor, Building 4 Chiswick Park, 566 Chiswick High Road, London W4 5YE.

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 2022 and 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.

SWAROVSKI FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2022

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.

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 2022

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

	2022	2021
	£	£
Donation–Swarovski AG	1,506,854	1,283,694
Donated service–Swarovski North America	80,252	105,910
Donated service–Swarovski UK	294,860	286,208
Donated service–D Swarovski KG	82,376	70,392
Donation – other funding	124,807	7,913
Donation - restricted	4,722	-
	<u>2,093,871</u>	<u>1,754,117</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 2022

3	Charitable activities		
	Grant making	2022	2021
		£	£
	UNHCR	125,786	42,825
	UNHCR (restricted)	4,722	-
	UNICEF	87,217	-
	The Nature Conservancy	87,217	-
	Teach for Thailand	84,194	-
	Conservation International	87,217	42,895
	Room to Read	84,194	4,516
	Teach for Austria	84,194	-
	Design Museum	65,413	64,342
	Turquoise Mountain	84,194	-
	CFDA	-	116,110
	Equal Justice Initiative	-	64,343
	Blue Marine Foundation	-	64,343
	UNFPA	-	4,517
	VOW to End Child Marriage	-	(9,033)
	Women for Women	-	42,825
	Central Saint Martins	-	128,685
	Mothers 2 Mothers	-	42,851
	Fashion Council Germany	-	128,685
	Young Minds	-	42,851
	National Aids Trust	-	42,851
	Womankind	-	17,200
	ACE	-	42,851
	Reserved for Action Fund	-	21,447
	Creatives for Our Future (grants to individuals)	113,394	98,312

SWAROVSKI FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2022

3	Charitable activities		
	Grant making (continued)	2022	2021
		£	£
	Employee Engagement (Ukraine UNHCR match)	21,746	-
	Whitechapel Gallery	25,000	
	Subtotal grants	954,488	1,003,406
	Support costs (see below)	603,621	564,758
	Governance costs (Note 4)	68,799	44,843
		<u>1,626,908</u>	<u>1,613,007</u>
		2022	2021
		£	£
	Support Costs:		
	Grant administration	400,677	413,708
	Advocacy & Engagement	183,558	132,787
	Finance and administration	5,152	5,920
	Legal and professional	14,234	12,343
		<u>603,621</u>	<u>564,758</u>

Included above is a notional cost of £420,064 in respect of donated services (2021: £431,971).

SWAROVSKI FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2022

4 Governance costs

	2022	2021
	£	£
Legal, professional, finance and administration	37,424	30,538
Audit and accountancy	16,020	11,040
Other governance costs	15,355	3,265
	<u>68,799</u>	<u>44,843</u>

Included above is a notional cost of £37,424 in respect of donated services (2021: £30,538).

Net income / (expenditure) is stated after charging:

	2022	2021
	£	£
Auditors' remuneration	<u>16,020</u>	<u>11,040</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 £438,185 (2021: £451,075).

Trustees are not remunerated. For 2022, £17,681 was reimbursed to 2 Trustees for directly incurred travel expenses to visit Foundation charity partner projects and attend board meetings. (2021: no reimbursements, as were covered by Swarovski business, not the Foundation.)

The total employee benefits of the key management personnel of the Foundation were £108,538 (2021: £86,518).

SWAROVSKI FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2022

6	Creditors: amounts due within one year	2022 £	2021 £			
	Accruals	15,420	28,200			
	Grants payable	636,206	394,723			
	Other creditors	5,651	32,500			
		<u>657,277</u>	<u>455,523</u>			
7	Creditors: amounts due after one year	2022 £	2021 £			
	Grants payable (due within 1-2 years)	-	131,984			
		<u>-</u>	<u>131,984</u>			
8	Funds					
2022	Funds b/fwd	Incoming resources	Resources expended	Gains/ (Losses)	Funds c/fwd	
	£	£	£	£	£	
	General unrestricted funds	(184,677)	1,674,868	(1,487,046)	(19,918)	(16,773)
	Restricted funds	-	4,722	(4,722)	-	-
	Designated funds:					
	Employee programme	41,900	-	(21,746)	1,097	21,251
	Creatives for our Future	152,194	261,651	(113,394)	5,547	305,998
	Action Fund	-	65,413	-	859	66,272
	10 th Anniversary	-	87,217	-	1,145	88,362
	Total funds	9,417	2,093,871	(1,626,908)	(11,270)	465,110
2021	Deficit b/fwd	Incoming resources	Resources expended	(Losses)/ Gains	Funds c/fwd	
	£	£	£	£	£	
	General unrestricted funds	(296,048)	1,608,274	(1,514,695)	17,792	(184,677)
	Designated funds:					
	Employee programme	45,100	-	-	(3,200)	41,900
	Creatives for our Future	112,750	145,843	(98,312)	(8,087)	152,194
	Total funds	(138,198)	1,754,117	(1,613,007)	6,505	9,417

SWAROVSKI FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2022

The employee programme supports individual charitable initiatives of the Swarovski employees; funds were used during 2022 for matching employee contributions raised for Ukraine. Creatives for our Future identifies and mentors young creatives in a variety of areas. The 2022 programme funded in 2021 completed mid-year 2022, and the incoming resources in 2022 are for the 2023 programme. The Action fund approved in late 2022 was to address emergency relief in the cost of living crisis and has been distributed during early 2023. Funds were also designated for the engagement during the Foundation's 10th Anniversary activations

9 Analysis of net assets by fund

2022

	Cash at bank	Other Current Assets/ Liabilities	Creditors Over 1 year	Total
	£	£	£	£
Funds				
Unrestricted funds				
General funds	640,504	(657,277)	-	(16,773)
Designated funds	481,883	-	-	481,883
	<u>1,122,387</u>	<u>(657,277)</u>	<u>-</u>	<u>465,110</u>

2021

	Cash at bank	Current Assets/ Liabilities	Creditors Over 1 year	Total
	£	£	£	£
Funds				
Unrestricted funds				
General funds	370,330	(423,023)	(131,984)	(184,677)
Designated funds	194,094	-	-	194,094
	<u>564,424</u>	<u>(423,023)</u>	<u>(131,984)</u>	<u>9,417</u>

SWAROVSKI FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2022

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 (2021: £10).

11 Controlling party

The Swarovski Foundation is controlled by its Trustees. Marisa Schiestl-Swarovski (from 9 February 2022, previously 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 £1,506,854 (2021: £1,283,694) to the Foundation. Additionally, D Swarovski KG donated services valued at £82,376 (2021: £70,392). Swarovski UK donated services valued at £294,860 (2021: £286,208) and Swarovski North America donated services to the Foundation of £80,252 (2021: £105,910) (see note 2).

Marisa Schiestl-Swarovski, a trustee of the Swarovski Foundation, is also a trustee of Teach for Austria, which received a grant totalling £84,194 in 2022. 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

	2022 £	2021 £
Net (expenditure) / income for the reporting period (as per the statement of financial activities)	455,693	147,614
Adjustments for:		
Decrease / (increase) in debtors	32,500	(32,500)
Increase / (decrease) in creditors	69,770	(65,562)
Net cash provided by operating activities	<u>557,963</u>	<u>49,552</u>

SWAROVSKI FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2022

14 Analysis of changes in net debt

2022	At start of year £	Cashflows £	At end of year £
Cash	564,424	557,963	1,122,387
Total	564,424	557,963	1,122,387
2021	At start of year £	Cashflows £	At end of year £
Cash	514,872	49,552	564,424
Total	514,872	49,552	564,424

15 Event subsequent to Balance Sheet date

Effective 1 February 2023, the existing Swarovski Waterschool grant programmes will transfer from the Swarovski business to the Swarovski Foundation. The Waterschool has a number of multi-year grants, with obligations of £824,892 for 2023 and £544,534 for the years 2024-2025. This transfer will create negative reserves of £1,369,426 on the date of the transfer.

The Letter of Support from Swarovski AG noted earlier in the Company's Reserves Policy includes the funding for the Swarovski Waterschool for the 2023 - 2025 grants. Obligations of the Waterschool at the effective date of 1 February 2023 have been funded by Swarovski AG as they come due.