

**The
Burberry
Foundation**

**Annual Report and Financial
Statements**

31 March 2021

Company Limited by Guarantee
Registration Number
08731570 (England and Wales)

Charity Registration Number
1154468

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Reference and administrative information

Trustees	Lord Christopher Holmes Marco Gobbetti Edward Rash
Secretary	Pamela Batty
Principal office	Horseferry House Horseferry Road London SW1P 2AW
Company registration number	08731570
Charity registration number	1154468
Auditors	Buzzacott LLP 130 Wood Street London EC2V 6DL
Solicitors	Berwin Leighton Paisner LLP Adelaide House London Bridge London EC4R 9HA
Bankers	Lloyds TSB Bank plc City Office 25 Gresham Street London EC2V 7HN

Trustees' report Year to 31 March 2021

The trustees, who are the directors of the charitable company for the purposes of company law, present their statutory report together with the financial statements of The Burberry Foundation, for the year to 31 March 2021.

The charity commenced its operations on 1 January 2014, when the activities, together with the related assets, reserves and liabilities at that date, of a predecessor charity also called The Burberry Foundation (Charity registration number 1123102) transferred to the Foundation.

The report has been prepared in accordance with Part 8 of the Charities Act 2011 and constitutes a directors' report for the purposes of the Companies Act 2006. The financial statements have been prepared in accordance with the accounting policies set out on pages 15 to 16 of the attached financial statements and comply with the charitable company's memorandum and articles of association, applicable laws and 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 United Kingdom and Republic of Ireland (FRS 102).

GOVERNANCE, STRUCTURE AND MANAGEMENT

Constitution

The Burberry Foundation (the "Foundation") was incorporated on 14 October 2013 as a company limited by guarantee under company registration number 08731570. On 5 November 2013, the Foundation registered on the Central Register of Charities under registration number 1154468.

Trustees

The names of the trustees who served during the year are set out as part of the reference and administrative information on page 1 of these financial statements.

Recruitment and appointment

The appointment of trustees is governed by the Articles of Association under which new trustees may be appointed by the existing trustees. There must at all times be a minimum of three trustees. None of the trustees are remunerated in respect of their services as a trustee.

Where additional trustees are appointed, the existing trustees seek, as necessary, advice about this process from their advisors.

Induction and training

The Foundation recognises that new and current trustees should be aware of the Foundation's charitable purposes, mode of operation, plans, policies and costs. All trustees have been provided with a copy of the Articles of Association, Conflict of Interest Policy and copies of other relevant policies in an induction pack prepared by their advisors which also includes appropriate Charity Commission guidance. The trustees are provided with appropriate updates relating to matters impacting upon charity law and the running and administration of the Foundation.

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Key management personnel

The trustees consider that they comprise the key management of the charity in charge of directing and controlling, running and operating the charity on a day to day basis.

Statement of trustees' responsibilities

The trustees (who are also directors of the Foundation for the purposes of company law) are responsible for preparing the trustees' report and 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 charity and of the income and expenditure of the charity for that year. 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 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 United Kingdom and Republic of Ireland (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

Each of the trustees confirms that:

- so far as the trustee is aware, there is no relevant audit information of which the charity's auditors are unaware; and
- the trustee has taken all the steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Organisation

The trustees are ultimately responsible for the policies, activities and assets of the charity. The trustees approve all grants to be made by the Foundation before such grants are made.

The main functions of the trustees are to:

- research and investigate charitable causes and organisations, with the goal of identifying opportunities that align with the Foundation's mission/vision;
- liaise with grant applicants and monitor the performance of grants to ensure that the Foundation's funding is being directed towards areas with demonstrated gaps and opportunities for strategic leverage, scale and sustainability;
- maintain the Foundation's records and information systems;
- act as the main point of contact for the Foundation for all stakeholders; and
- manage the financial affairs of the Foundation.

The trustees may delegate certain of the above functions to employees of the Burberry Group for which no charge has been incurred by the Trust in connection with services provided.

Risk management

The trustees believe that by adopting formal governance policies, monitoring reserve levels, ensuring that controls exist over key financial systems and by examining from time to time the operational risks faced by the Foundation and its grant making, that they have established effective systems to mitigate the major risks to which the Foundation is exposed.

The Foundation is primarily a grant-maker, which also reduces the overall level of risk. The Foundation has developed grant conditions and review procedures to ensure that grants are monitored as necessary.

ACTIVITIES, SPECIFIC OBJECTIVES AND RELEVANT POLICIES

Charitable objectives, activities and public benefit

The Foundation's charitable objects as expressed in its Articles of Association are as follows:

'To advance, promote or carry out such Charitable Purposes as the trustees in their absolute discretion from time to time think fit.'

'Charitable Purposes' are purposes which are charitable in accordance with the law of England and Wales.

The Foundation is a grant making charity and supports purposes which are within those listed in the Charities Act 2011. It makes grants in accordance with the Foundation's grant making policy, as set out below.

ACTIVITIES, SPECIFIC OBJECTIVES AND RELEVANT POLICIES (continued)

Charitable objectives, activities and public benefit (continued)

The trustees have considered public benefit when reviewing the Foundation's aims and objectives and setting its grant making policy and through the work of the Foundation a number of charitable causes have benefited.

Public benefit has been provided through the dedication of the Foundation's resources to further its mission to use the power of creativity to drive positive change in our communities, and build a sustainable future through innovation.

The grants made since inception have furthered the charitable purposes. For further details please see the 'Review of activities'.

Fundraising statement

The Foundation did not undertake any public fundraising activity, nor do we employ commercial third parties to undertake fundraising on our behalf.

Grant making policy

The trustees meet to review the Foundation's grant making policy and also consider the Foundation's overall grant making strategy as required.

The trustees will normally award grants to registered charities. Exceptions to this policy will be reviewed on a case-by-case basis in light of the status of the applicant, its organisational structure (for example, was it established for philanthropic and benevolent purposes), and the requested purpose of the grant. The trustees take care to ensure that where grants are not made to registered charities, they are at all times made for charitable purposes and the use of any grants made is monitored closely.

Funding priorities and review of activities

The Burberry Foundation is dedicated to using the power of creativity to drive positive change in communities sustaining the luxury fashion industry and build a sustainable future through innovation.

The Foundation's grant making is focused on supporting communities in key Burberry supply chain locations and driving industry-wide innovation in waste utilisation, materials, production and consumer interactions.

The Burberry Foundation has committed to grant recipients for a three to five year period and has asked partners to develop programmes in a way that ensures sustainability of activities, should there be no Foundation funding available after the agreed partnership period. Grant partners are subject to a regular impact evaluation process, before funds are released on an annual basis. The Foundation retains the right to cancel any partnership, and cease payment of further grants, should the partner not act in accordance with the terms of the grant agreement.

ACTIVITIES, SPECIFIC OBJECTIVES AND RELEVANT POLICIES (continued)

Funding priorities and review of activities (continued)

In considering requests for support, the Foundation considers projects that:

- are managed competently, with clear accountability, cost effectiveness, strong leadership and creativity;
- provide a significant and measurable impact;
- are located in a community where Burberry Group employees live and work; and
- have the potential to offer volunteering opportunities for Burberry Group employees.

Once grants have been made, Burberry Group's employees are encouraged to participate in volunteer opportunities with the charities. The Burberry Group supports this volunteering through a range of programmes and policies which are designed to leverage the impact of grants made by the Foundation. The Foundation's education initiatives are supported by volunteering opportunities, including Burberry Inspire, Burberry Engage (MyKindaFuture, Teach First and The Career & Enterprise Company) and London Youth. Trustees will not consider grants to projects that discriminate on the basis of race, gender or religion.

The Foundation operates independently from the Burberry Group. To ensure that they act lawfully at all times, the trustees take advice on any activities which involve the Burberry Group. As the Foundation has no employee's, work is carried out on a pro bono basis by Burberry Group staff, referred to as Foundation Volunteers.

Terms and conditions of grants are drafted by Burberry Group employees (Foundation Volunteers) in discussion with beneficiaries and are considered and approved by the Trustees on a case-by-case basis.

The Foundation complies with all relevant laws regarding charitable donations and charity beneficiaries in all countries where it is active.

FINANCIAL REVIEW

Results for the year

A summary of the period's results can be found on page 12 of this report and financial statements.

During the year ended 31 March 2021, total income amounted to £2,550,485 (2020: £1,276,796) of which £2,533,089 (2020: £1,229,829) arose from voluntary income. The trustees committed to grants of £3,622,480 (2020: £2,952,790) to various charities during the year. The charity incurred support costs of £21,077 (2020: £13,640). This resulted in a net expenditure and movement in funds for the year of £1,093,072 (2020: net expenditure of £1,689,634).

Financial position

The balance sheet shows total funds of £3,591,269 (2020: £4,684,341) of which £203,130 are restricted funds with £3,388,139 unrestricted.

FINANCIAL REVIEW (continued)

Reserves policy

The trustees have examined the Foundation's requirements for reserves in light of the main risks to the Foundation and its future philanthropic ambitions. The trustees have established a reserves policy to protect the Foundation and its long-term charitable giving strategy by providing time to adjust to changing financial circumstances. It is the policy of the trustees to hold prudent levels of reserves and unrestricted income in addition to fully providing for all committed funds.

Cashflow projections for income and expenditure are reviewed by the trustees to ensure that the level of disposable net assets is adequate and that the Foundation is in a position to meet all its commitments. As part of agreeing the long term partnerships the trustees have reviewed the Foundation's forecast reserves position up to 2021/22. As a result of planned donations over this period, the current level of reserves is expected to gradually reduce to between £1m and £2m by 2021/22. As such the current level of reserves is not considered excessive.

The reserves policy is reviewed as required to reassess the risks and reflect changes to the Foundation's income, financial obligations and long-term plans for charitable expenditure.

Impact of COVID-19

The trustees have considered the continuing effects of COVID-19 on the charity's operations and have concluded that the impact on it is likely to be limited. Trustees acknowledge and recognise the potential impact of the COVID-19 pandemic on the future operations of the charity, its partners and stakeholders and on wider society. The reduced opportunities for scheduled face to face interaction may well impact on the ability to plan effectively for the medium term but it is not anticipated at the current time that the overall financial position of the charity will be adversely affected or its financial solvency threatened.

FUTURE PLANS

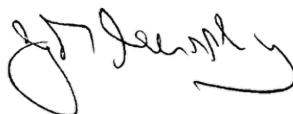
The Foundation plans to continue to support communities in key Burberry Group plc's supply chain locations and driving industry-wide innovation in waste utilisation, materials, production and consumer interactions.

Signed on behalf of the trustees:



Edward Rash

Trustee



Gerry Murphy

Trustee

Approved by the trustees on: 22 September 2021

Independent auditor's report to the members of The Burberry Foundation

Opinion

We have audited the financial statements of The Burberry Foundation (the 'charitable company') for the year ended 31 March 2021 which comprise the statement of financial activities, the balance sheet, and statement of cash flows, the principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the charitable company's affairs as at 31 March 2021 and of 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 requirements of the Companies Act 2006.

Basis for opinion

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the trustees' 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' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- ◆ adequate 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 take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees 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 but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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 extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations; and
- ◆ we obtained an understanding of the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework (Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011).

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ making enquiries of management as to their knowledge of actual, suspected and alleged fraud; and
- ◆ considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

Auditor's responsibilities for the audit of the financial statements (continued)

To address the risk of fraud through management bias and override of controls, we:

- ◆ performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ tested journal entries to identify unusual transactions; and
- ◆ assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ review of the minutes of meetings of those charged with governance; and
- ◆ enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or 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.



11 October 2021

Katharine Patel, Senior Statutory Auditor
for and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

Statement of financial activities (including an income and expenditure account)

Year to 31 March 2021

	Notes	Unrestricted funds £	Restricted funds £	Year to 31 March 2021 Total £	Year to 31 March 2020 Total £
Income					
Donations and legacies	1	1,878,937	654,152	2,533,089	1,229,829
Investment income	2	17,396	-	17,396	46,967
Total income		1,896,333	654,152	2,550,485	1,276,796
Expenditure					
Charitable activities - Promoting and enhancing charitable work					
. Grants payable	3	(3,171,458)	(451,022)	(3,622,480)	(2,952,790)
. Support costs	4	(21,077)	-	(21,077)	(13,640)
Total expenditure		(3,192,535)	(451,022)	(3,643,557)	(2,966,430)
Net expenditure and net movement in funds		(1,296,202)	203,130	(1,093,072)	(1,689,634)
Reconciliation of funds					
Total opening funds		4,684,341	-	4,684,341	6,373,975
Total closing funds		3,388,139	203,130	3,591,269	4,684,341

The charity has no recognised gains and losses other than those shown above and therefore no separate statement of total recognised gains and losses has been presented.

All of the charity's activities derived from continuing operations during the above two financial periods.

Balance sheet as at 31 March 2021

	Notes	As at 31 March 2021 Total £	As at 31 March 2020 Total £
Current assets			
Cash at bank and in hand		3,596,496	4,689,551
Liabilities			
Creditors: falling due within one year	5	(5,227)	(5,210)
Net current assets		3,591,269	4,684,341
Total net assets		3,591,269	4,684,341
The funds of the charity			
<i>Income funds</i>			
Restricted funds	6	203,130	-
Unrestricted general funds		3,388,139	4,684,341
		3,591,269	4,684,341

Approved by the trustees
and signed on their behalf by:



Trustee Edward Rash



Trustee Gerry Murphy

Approved by the trustees on: 22/09/2021

Company registration number: 08731570 (England and Wales)

Statement of cash flows Year to 31 March 2021

	Year to 31 March 2021 £	Year to 31 March 2020 £
Cash flows from operating activities		
Net movement in funds	(1,093,072)	(1,689,634)
Investment income	(17,396)	(46,967)
Increase in creditors	17	290
Net cash used in operating activities	(1,110,451)	(1,736,311)
Cash flows from investing activities		
Investment income	17,396	46,967
Net cash provided by investing activities	17,396	46,967
Change in cash and cash equivalents	(1,093,055)	(1,689,344)
Opening cash and cash equivalents	4,689,551	6,378,895
Closing cash and cash equivalents	3,596,496	4,689,551

No separate reconciliation of net debt has been prepared as there is no difference between the net cash (debt) of the charity and the above cash and cash equivalents

Principal accounting policies 31 March 2021

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are laid out below.

a) Basis of preparation

These financial statements have been prepared for the year to 31 March 2021.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these financial statements.

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 United Kingdom and Republic of Ireland (FRS 102) (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements are presented in sterling and are rounded to the nearest pound.

b) Critical accounting estimates and areas of judgement

Other than the assessment of going concern below, the preparation of the financial statements did not require the trustees to make any significant judgements or estimates.

As set out in these accounting policies under “going concern”, the trustees have considered the impact of the COVID-19 pandemic on the charity and have concluded that although there may be some negative consequences, it is appropriate for the charity to continue to prepare its accounts on the going concern basis.

c) Assessment of going concern

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The trustees have made this assessment in respect to a period of one year from the date of approval of these financial statements.

The trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due.

d) Income recognition

Income is recognised in the period in which the charity is entitled to receipt, the amount can be measured reliably and it is probable that income will be received.

Income comprises donations and investment income.

Donations are recognised when the charity has confirmation of both the amount and settlement date. In the event of donations pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

d) Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of obligation can be measured reliably.

Expenditure comprises grants payable as part of the Foundation's charitable activities, as well as administrative costs pertaining to the charity and its grant-making. Grants payable are included in the statement of financial activities when approved and when the intended recipient has either received the funds or been informed of the decision to make the donation and has satisfied all related conditions. Grants approved but not paid at the end of the financial period are accrued for. Grants where the beneficiary has not been informed or has to meet certain conditions before the grant is released are not accrued for but are noted as financial commitments in the notes to the financial statements.

All expenditure is stated inclusive of irrecoverable VAT.

e) Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

f) Creditors

Creditors are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors are recognised at the amount the charity anticipates it will pay to settle the debt. Where material they have been discounted to the present value of the future cash payment.

g) Fund accounting

The general unrestricted funds represent funds available for the general charitable purposes of the charity at the discretion of the trustees.

Restricted funds comprise monies raised for, or their use restricted to, a specific purpose, or contributions subject to donor imposed conditions.

h) Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the net movement in funds.

Notes to the financial statements Year to 31 March 2021

1 Donations

	Unrestricted funds £	Restricted funds £	Year to 31 March 2021 Total £	Year to 31 March 2020 Total £
Donations from Burberry Group	1,874,965	537,718	2,412,683	1,229,829
Other donations	3,972	116,434	120,406	-
Total donations	1,878,937	654,152	2,533,089	1,229,829

2 Investment income

	Unrestricted funds £	Restricted funds £	Year to 31 March 2021 Total £	Year to 31 March 2020 Total £
Bank Interest	17,396	-	17,396	46,967
Total investment income	17,396	-	17,396	46,967

3 Grants payable

	Unrestricted funds £	Restricted funds £	Year to 31 March 2021 Total £	Year to 31 March 2020 Total £
<i>UK</i>				
Oxfam	839,284	-	839,284	850,215
Ideas Foundation	400,000	-	400,000	404,000
Royal College of Art	412,719	-	412,719	362,719
Teach First	300,000	-	300,000	300,000
London Youth	285,000	-	285,000	-
Unicef	-	195,995	195,995	-
The Career and Enterprise Company	135,050	-	135,050	135,050
Elvis & Kresse (EAKO Ltd)	100,000	-	100,000	100,000
MyKindaCrowd	69,679	-	69,679	132,129
King's College	50,000	-	50,000	50,000
	2,591,732	195,995	2,787,727	2,334,113
<i>France</i>				
Pur Projet	191,726	-	191,726	221,677
<i>USA</i>				
Research Foundation of the City University of New York	160,000	-	160,000	160,000
Studio in a School Association	60,000	-	60,000	60,000
Ballet Theatre Foundation Inc	60,000	-	60,000	60,000
Reel Stories Teen Filmmaking Inc	60,000	-	60,000	60,000
City Harvest Foodbank	-	5,000	5,000	-
California Association of Foodbanks	-	5,000	5,000	-
	340,000	10,000	350,000	340,000

Notes to the financial statements Year to 31 March 2021

3 Grants payable (continued)

	Unrestricted funds £	Restricted funds £	Year to 31 March 2021 Total £	Year to 31 March 2020 Total £
<i>Italy</i>				
Cooperative Social Quid	48,000	-	48,000	57,000
Careggi University Hospital	-	6,660	6,660	-
	<u>48,000</u>	<u>6,660</u>	<u>54,660</u>	<u>57,000</u>
<i>Brazil</i>				
International Federation of Red Cross and Red Crescent Societies	-	85,000	85,000	-
<i>South Sudan</i>				
Médecins Sans Frontières	-	65,000	65,000	-
<i>China</i>				
China Soong Ching Ling Foundation	-	77,367	77,367	-
Sunrise	-	11,000	11,000	-
	<u>-</u>	<u>88,367</u>	<u>88,367</u>	<u>-</u>
Total grants payable	3,171,458	451,022	3,622,480	2,952,790

Grant Commitments

At 31 March 2021 the charity had agreed in principle to make the following grants in the future years:

	2021-22 £	2022-23 £	2023-24 £
Oxfam	602,000	-	-
Teach First and Careers & Enterprise Company	429,693	-	-
Oxfam and Pur Project	186,912	-	-
Ideas Foundation	400,000	-	-
Burberry Inspire London	400,000	400,000	400,000
Burberry Inspire New York	340,000	340,000	340,000
Royal College of Arts	162,719	162,719	162,719
MyKindaFuture	133,932	-	-
Elvis & Kresse (EAKO Ltd)	100,000	-	-
Kings College	50,000	-	-
Progetto Quid	45,000	-	-
	<u>2,850,256</u>	<u>902,719</u>	<u>902,719</u>

The payment of these grants is subject to annual review and is conditional on The Burberry Foundation being satisfied that the grant funds are being used in accordance with the grant agreements. As a result, a liability has not been included in the accounts at 31 March 2021 for these commitments.

4 Support costs

	Unrestricted funds	Restricted funds	Year to 31 March 2021 Total	Year to 31 March 2020 Total
	£	£	£	£
Grant and charity administration costs	15,850	-	15,850	9,390
Audit fees	5,227	-	5,227	4,250
Total support costs	21,077	-	21,077	13,640

5 Taxation

The Burberry Foundation is a registered charity and therefore is not liable to income tax or corporation tax on income derived from its charitable activities as it falls within the various exemptions available to registered charities.

6 Creditors: falling due within one year

	Year to 31 March 2021 Total	Year to 31 March 2020 Total
	£	£
Accruals	5,227	5,210
Total creditors	5,227	5,210
Grants payable at 1 April	—	—
Commitments made in the year	3,622,480	2,952,790
Grants paid during the year	(3,622,480)	(2,952,790)
Grants payable at 31 March	—	—

7 Restricted funds

The funds of the Foundation include restricted funds comprising the following balances held on trust to be applied for specific purposes.

	At 1 April 2020	Income	Expenditure	At 31 March 2021
	£	£	£	£
Covid-19 community fund	-	654,152	(451,022)	203,130

During the year ended 31 March 2021 the trustees set up a fund in response to the COVID-19 pandemic.

8 Connected organisations

The Foundation operates from Burberry Group offices in the UK. The charity and grant administration of the Foundation was undertaken by staff members of the Burberry Group.

No charge is made for these services.

9 Remuneration of trustees and key management personnel

The trustees consider that they comprise the key management of the charity in charge of directing and controlling, running and operating the charity on a day to day basis. The trustees receive no remuneration or reimbursement of expenses in connection with their duties.

10 Related party transactions

Other than donations from trustees, the only related party transaction relates to income received from Burberry Group (note 1).