

**The  
Burberry  
Foundation**

**Annual Report and Financial  
Statements**

31 March 2022

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

Charity Registration Number  
1154468

## Contents

### Reports

Reference and administrative information	1
Trustees' report	2
Independent auditor's report	9

### Financial statements

Statement of financial activities	13
Balance sheet	14
Statement of cash flows	15
Principal accounting policies	16
Notes to the financial statements	19

## Reference and administrative information

<b>Trustees</b>	Marco Gobbetti (resigned 16 September 2021) Lord Christopher Holmes Dr Gerard Murphy (appointed 16 September 2021) Edward Rash
<b>Secretary</b>	Helen Martin
<b>Principal office</b>	Horseferry House Horseferry Road London SW1P 2AW
<b>Company registration number</b>	08731570
<b>Charity registration number</b>	1154468
<b>Auditors</b>	Buzzacott LLP 130 Wood Street London EC2V 6DL
<b>Solicitors</b>	Winckworth Sherwood LLP Minerva House 5 Montague Close London SE1 9BB
<b>Bankers</b>	Lloyds TSB Bank plc City Office 25 Gresham Street London EC2V 7HN

## **Trustees' report Year to 31 March 2022**

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 2022.

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 16 to 18 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.



## GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

### Statement of trustees' responsibilities (continued)

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.

### 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 functions as listed above to employees within the group of companies of which Burberry Group plc is the ultimate parent undertaking, '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.'

## **ACTIVITIES, SPECIFIC OBJECTIVES AND RELEVANT POLICIES (continued)**

### **Charitable objectives, activities and public benefit (continued)**

'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.

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. A new strategic vision for the Foundation has been developed, grounded in the belief that young people, regardless of their backgrounds, can create ideas, solutions, and connections for a better future. From FY22/23 onwards, The Burberry Foundation will be dedicated to empowering youth by enabling the next generation to unlock their creativity, and elevating youth voices to drive positive change.

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, neither did they employ commercial third parties to undertake fundraising on their 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. The current Grant Making Policy will be updated to reflect the Foundation's new strategic vision.

### **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. As FY21/22 draws to a close, the current cycle of grants will cease (with the exception of the Royal College of Arts partnership, which was extended for an additional two years in 2020 through a Deed amendment). The Foundation's new strategic vision and youth empowerment mission will launch in FY22/23. A new set of partnerships are currently being established to support this mission.



## ACTIVITIES, SPECIFIC OBJECTIVES AND RELEVANT POLICIES (continued)

### Funding priorities and review of activities (continued)

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 and impact beyond 2022, 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.

The Burberry Foundation has a longstanding commitment to helping others and positively impacting communities around the world. Due to the escalating refugee crisis as a result of the Ukraine war, the Foundation's new youth empowerment mission will also play a role in supporting the needs of young people and their families who have been displaced.

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. 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 employees, 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 13 of this report and financial statements.

During the year ended 31 March 2022, total income amounted to £1,795,277 (2021: £2,550,485) of which £1,795,218 (2021: £2,533,089) arose from voluntary income. The trustees committed to grants of £3,021,252 (2021: £3,622,480) to various charities during the year. The charity incurred support costs of £13,088 (2021: £21,077). This resulted in a net expenditure and movement in funds for the year of £1,239,063 (2021: net expenditure of £1,093,072).

### Financial position

The balance sheet shows total funds of £2,352,206 (2021: £3,591,269) of which £101,346 are restricted funds with £2,250,860 unrestricted.

### 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 2023/24. 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 2022/23. 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. 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.

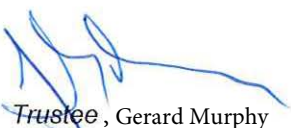
### FUTURE PLANS

The Foundation plans to continue to support communities in key Burberry Group's supply chain locations. A new global strategic mission for The Burberry Foundation has been developed, concentrating all of its resources on addressing the core issue of youth empowerment for 'left-behind' youth, fostering creativity and elevating youth voices under the umbrella of 'Burberry Inspire'. Two partners have been identified and on-boarded, the International Youth Foundation (IYF), to act as a global partner for Burberry Inspire, and a regional delivery partner for the UK, Onside Youth Zones.

Burberry Inspire's objective is to empower young people to lead positive, fulfilling lives by enabling the next generation to unlock their creativity and drive positive change. The programme presents an opportunity for the Foundation to make a tangible difference to thousands of young people around the world from marginalised backgrounds.

Due to the recent events of the conflict in Ukraine, future funding for the developing youth empowerment strategy will be split into two components: 1) The Global Youth Empowerment Programme and 2) Supporting Ukraine Youth Relief Efforts.

Signed on behalf of the trustees:



Trustee, Gerard Murphy  
Approved by the trustees on:

08 December 2022



Trustee, Edward Rash

## **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 2022 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 2022 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.



## **Independent auditor's report Year to 31 March 2022**

### **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 Companies Act 2006).

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.



## Independent auditor's report Year to 31 March 2022

### 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](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.



08 December 2022

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



## Statement of financial activities Year to 31 March 2022

	Notes	Unrestricted funds £	Restricted funds £	Year to 31 March 2022 Total £	Year to 31 March 2021 Total £
<b>Income</b>					
Donations and legacies	1	1,577,002	218,216	<b>1,795,218</b>	2,533,089
Investment income	2	59	—	<b>59</b>	17,396
<b>Total income</b>		<b>1,577,061</b>	<b>218,216</b>	<b>1,795,277</b>	<b>2,550,485</b>
<b>Expenditure</b>					
Charitable activities - Promoting and enhancing charitable work					
. Grants payable	3	(2,701,252)	(320,000)	<b>(3,021,252)</b>	(3,622,480)
. Support costs	4	(13,088)	—	<b>(13,088)</b>	(21,077)
<b>Total expenditure</b>		<b>(2,714,340)</b>	<b>(320,000)</b>	<b>(3,034,340)</b>	<b>(3,643,557)</b>
<b>Net expenditure and net movement in funds</b>		<b>(1,137,279)</b>	<b>(101,784)</b>	<b>(1,239,063)</b>	<b>(1,093,072)</b>
<b>Reconciliation of funds</b>					
Total opening funds		3,388,139	203,130	<b>3,591,269</b>	4,684,341
<b>Total closing funds</b>		<b>2,250,860</b>	<b>101,346</b>	<b>2,352,206</b>	<b>3,591,269</b>

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** 31 March 2022

	Notes	As at 31 March 2022 Total £	As at 31 March 2021 Total £
<b>Current assets</b>			
Cash at bank and in hand		2,358,821	3,596,496
<b>Liabilities</b>			
Creditors: falling due within one year	5	(6,615)	(5,227)
<b>Net current assets</b>		2,352,206	3,591,269
<b>Total net assets</b>		<u>2,352,206</u>	<u>3,591,269</u>
<b>The funds of the charity</b>			
<i>Income funds</i>			
Restricted funds	6	101,346	203,130
Unrestricted general funds		<u>2,250,860</u>	<u>3,388,139</u>
		<u>2,352,206</u>	<u>3,591,269</u>

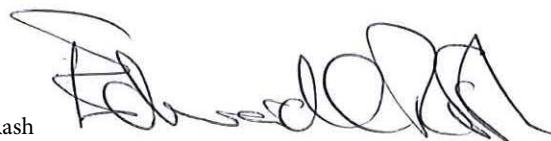
Approved by the trustees  
and signed on their behalf by:



*Trustee*  
Gerard Murphy

Approved by the trustees on:  
08 December 2022

*Trustee*  
Edward Rash



Company registration number: 08731570 (England and Wales)

## Statement of cash flows Year to 31 March 2022

	Year to 31 March 2022 £	Year to 31 March 2021 £
<b>Cash flows from operating activities</b>		
Net movement in funds per the statement of financial activities	(1,239,063)	(1,093,072)
Investment income	(59)	(17,396)
Increase in creditors	1,388	17
<b>Net cash used in operating activities</b>	<b>(1,237,734)</b>	<b>(1,110,451)</b>
<b>Cash flows from investing activities</b>		
Investment income	59	17,396
<b>Net cash provided by investing activities</b>	<b>59</b>	<b>17,396</b>
<b>Change in cash and cash equivalents</b>	<b>(1,237,675)</b>	<b>(1,093,055)</b>
<b>Opening cash and cash equivalents</b>	<b>3,596,496</b>	<b>4,689,551</b>
<b>Closing cash and cash equivalents</b>	<b>2,358,821</b>	<b>3,596,496</b>

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 Year to 31 March 2022

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 2022.

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 Companies Act 2006.

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.

## Principal accounting policies Year to 31 March 2022

### d) Income recognition (continued)

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.

### e) 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.

### f) 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.

### g) 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.

### h) 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.

## **Principal accounting policies** Year to 31 March 2022

### **i) 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 2022

### 1 Donations

	Unrestricted funds £	Restricted funds £	Year to 31 March 2022 Total £	Year to 31 March 2021 Total £
Donations from Burberry Group	1,577,002	217,362	<b>1,794,364</b>	2,412,683
Other donations	—	854	<b>854</b>	120,406
<b>Total donations</b>	<b>1,577,002</b>	<b>218,216</b>	<b>1,795,218</b>	<b>2,533,089</b>

### 2 Investment income

	Unrestricted funds £	Restricted funds £	Year to 31 March 2022 Total £	Year to 31 March 2021 Total £
Bank Interest	59	—	<b>59</b>	17,396
<b>Total investment income</b>	<b>59</b>	<b>—</b>	<b>59</b>	<b>17,396</b>

### 3 Grants payable

	Unrestricted funds £	Restricted funds £	Year to 31 March 2022 Total £	Year to 31 March 2021 Total £
<i>UK</i>				
Teach First	485,330	—	<b>485,330</b>	300,000
Oxfam	462,667	—	<b>462,667</b>	839,284
Ideas	400,000	—	<b>400,000</b>	400,000
UNICEF	—	320,000	<b>320,000</b>	195,995
The Federation of London Youth Clubs	285,000	—	<b>285,000</b>	285,000
Royal College of Art	162,719	—	<b>162,719</b>	412,719
The Career and Enterprise Company	135,050	—	<b>135,050</b>	135,050
MyKindaCrowd	132,129	—	<b>132,129</b>	69,679
Elvis & Kresse (EAKO Ltd)	100,000	—	<b>100,000</b>	100,000
Kings College	50,594	—	<b>50,594</b>	50,000
	<b>2,213,489</b>	<b>320,000</b>	<b>2,533,489</b>	<b>2,787,727</b>
<i>France</i>				
Pur Projet	102,763	—	<b>102,763</b>	191,726
<i>USA</i>				
Research Foundation of the City University of New York	160,000	—	<b>160,000</b>	160,000
Studio in a School Association	60,000	—	<b>60,000</b>	60,000
Ballet Theatre Foundation Inc	60,000	—	<b>60,000</b>	60,000
Reel Stories Teen Filmmaking Inc	60,000	—	<b>60,000</b>	60,000
City Harvest Foodbank	—	—	—	5,000
California Association of Foodbanks	—	—	—	5,000
	<b>340,000</b>	<b>—</b>	<b>340,000</b>	<b>350,000</b>

### 3 Grants payable (continued)

	Unrestricted funds £	Restricted funds £	Year to 31 March 2022 Total £	Year to 31 March 2021 Total £
<i>Italy</i>				
Cooperative Social Quid	45,000	—	<b>45,000</b>	48,000
Careggi University Hospital	—	—	<b>—</b>	6,660
	<u>45,000</u>	<u>—</u>	<u><b>45,000</b></u>	<u>54,660</u>
<i>Brazil</i>				
International Federation of Red Cross and Red Crescent Societies	—	—	—	85,000
<i>South Sudan</i>				
Médecins Sans Frontières	—	—	—	65,000
<i>China</i>				
China Soong Ching Ling Foundation	—	—	—	77,367
Sunrise	—	—	—	11,000
	<u>—</u>	<u>—</u>	<u>—</u>	<u>88,367</u>
<b>Total grants payable</b>	<u>2,701,252</u>	<u>320,000</u>	<u><b>3,021,252</b></u>	<u>3,622,480</u>

#### Grant Commitments

At 31 March 2022, grants totalling £331,333, consisting of amounts of £231,333 to Oxfam and £100,000 to UNICEF, had been approved for payment by the trustees but the funds had not yet been transferred to the recipient organisation. Since the beneficiaries had not been informed of the intention to grant these funds as at 31 March 2022, they have not been included as liabilities at this date.

At 31 March 2022, the charity had agreed in principle to make the following grants in future years:

	2022-23 £	2023-24 £	2024-25 £
Royal College of Arts	150,000	150,000	—
The International Youth Foundation	598,233	—	—
Ukraine Youth Relief Initiative	400,000	—	—
OnSide Youth Zones	217,260	—	—
	<u>1,025,493</u>	<u>150,000</u>	<u>—</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 2022 for these commitments.

#### 4 Support costs

	Unrestricted funds £	Restricted funds £	Year to 31 March 2022 Total £	Year to 31 March 2021 Total £
Grant and charity administration costs	6,473	—	<b>6,473</b>	15,850
Audit fees	6,615	—	<b>6,615</b>	5,227
<b>Total support costs</b>	<b>13,088</b>	<b>—</b>	<b>13,088</b>	<b>21,077</b>

#### 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 2022 Total £	Year to 31 March 2021 Total £
Accruals	<b>6,615</b>	5,227
<b>Total creditors</b>	<b>6,615</b>	<b>5,227</b>
Grants payable at 1 April	—	—
Commitments made in the year	<b>3,021,252</b>	3,622,480
Grants paid during the year	<b>(3,021,252)</b>	(3,622,480)
<b>Grants payable at 31 March</b>	<b>—</b>	<b>—</b>

#### 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 2021 £	Income £	Expenditure £	At 31 March 2022 £
Covid-19 community fund	203,130	218,216	(320,000)	<b>101,346</b>

During the year ended 31 March 2022 the trustees continued to support communities impacted by the COVID-19 Pandemic, through The Burberry Foundation's COVID-19 Community Fund.



**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**

The only related party transaction relates to income received from Burberry Group (note 1).