

Registered Company Number: 11917315

Registered Charity Number: 1185152

British Fashion Council Foundation

Annual report and financial statements for the year ended 31 March 2022

British Fashion Council Foundation

Contents

	Page (s)
Charity details	
Trustees' report for the 12 months ended 31 March 2022	3 - 12
Independent auditors' report to the member of BFC Foundation	13 - 16
Statement of financial activities for the 12 months ended 31 March 2022	17
Balance sheet as at 31 March 2022	18
Notes to the financial statements for the 12 months ended 31 March 2022	19 - 25

British Fashion Council Foundation

Charity Details

Directors and Trustees

Stephanie Phair OBE
Caroline Rush CBE
Laura Strain
Pamela Batty - appointed May 2022

Registered office

British Fashion Council Foundation
33 Broadwick Street
London
W1F 0DQ

Independent auditors

Crowe U.K. LLP
55 Ludgate Hill
London
EC4M 7JW

Bankers

Natwest
250 Regents Street
London
W1B 3BN

Status

British Fashion Council Foundation is a private company limited by guarantee, company number 11917315. It was incorporated in the UK. It is registered in England and Wales as a charity, number 1185152.

British Fashion Council Foundation

Trustees' report for the 12 months ended 31 March 2022

Report of the Trustees for the 12 months ended 31 March 2021

The trustees, who are also directors of the British Fashion Foundation (hereafter “the trustees”), present their Annual report and audited financial statements for the year ended 31 March 2022, which have been prepared in compliance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective January 2019) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Governing documents

The British Fashion Council Foundation (“BFC Foundation”) is a charitable company limited by guarantee, governed by its Memorandum and Articles of Association. It was incorporated on 1 April 2019 and registered with the Charity Commission as a charity on 3 September 2021.

The sole member of the BFC Foundation is the British Fashion Council Limited (the “BFC”), a company limited by guarantee, registered in London, England, No. 2050620. The principal activity of the BFC is to promote, develop and support the British Fashion Industry.

A copy of the consolidated accounts of the BFC Group, which incorporates the financial results of BFC Foundation can be obtained from the registered office which is the same as the BFC Foundation and is set out on page 1.

Objects and activities for the public benefit

The BFC has a long history in supporting the advancement of fashion education and promotion of fashion design for the benefit of the public through the work of its charitable subsidiaries. In 2017, the BFC publicly announced its intention to significantly increase fundraising activities and raise £10 million over 10 years to support the next generation of talent in the fashion industry. To help with this aim, the BFC established the BFC Foundation in April 2021 to establish one central charitable vehicle within the BFC Group. The intention stated by the BFC’s Executive Directors was and continues to be that the BFC will provide staff time and other resources to enable the BFC Foundation to pursue its charitable purposes.

The purposes of the BFC Foundation are for the benefit of the public –

- the promotion of the art of fashion design in clothing and related accessories and the advancement of education in that art,
- the advancement of the clothing fashion industry through the improvement of standards and quality of performance within the industry, and
- the relief of unemployment for the benefit of the public, and in particular the relief of unemployed people qualified to work in the clothing fashion business.

The trustees have paid due regard to the Charity Commission’s general guidance on public benefit when reviewing the objects and on-going strategy of the BFC Foundation. In particular, the trustees have considered how activities planned by the trustees will contribute to the objects of the BFC Foundation and that the grants being awarded by the BFC Foundation are for the public benefit, the advancement of education and the relief of unemployment.

British Fashion Council Foundation

Trustees' report for the 12 months ended 31 March 2022

REVIEW OF ACTIVITIES AND PLANS FOR THE FUTURE

This is an important moment to reflect, evaluate and celebrate the work of the BFC Foundation at the end of its second year. The charity has been operating through a time of huge change and uncertainty and which has thrown up many challenges but crucially has made its work even more important. The gradual release of restrictions of the Covid19 pandemic this year allowed the Foundation to re-establish its core grant giving initiatives and a total sum of £932,500 was paid by the BFC Foundation to an outstanding cohort of scholars and designers.

The year culminated in a special celebratory announcement event at the Design Museum in London, on May 4th 2022 where the industry came together to recognise and celebrate the grantees and the work of the BFC Foundation. This year, The Queen Elizabeth II Award for British Design was presented by The Duchess of Cambridge, on behalf of Her Majesty The Queen. The winner, Saul Nash, then exhibited his pieces in a showstopping performance, incorporating dance, fashion and music.

New and successful partnerships, in conjunction with the British Fashion Council, such as the partnership with Tik Tok and the Fashion Awards, continued to bolster the fundraising efforts as well as the ongoing support and generosity of brands including Paul Smith, Burberry, Tommy Hilfiger, Dior and Chanel.

We also recently welcomed Pam Batty as a Trustee. Pam was the Vice President of Corporate Responsibility at Burberry for 10 years and has more than 25 years of experience in corporate responsibility across the private and voluntary sectors specialising in the design and delivery of environmental and social programmes. Her appointment will ensure the BFC Foundation continues to be propelled forward in its purpose, positioning and governance.

Looking ahead, we would like to continue to build upon the success of the charity's patron programme, as well as our grant-giving opportunities through initiative led projects, collaborations and events. The intention is to celebrate 30 years of Newgen, starting in September of this year and to raise significant charitable funds to create a platform for future talent.

Fundraising

The charity announced the launch of the BFC Foundation Patron Programme in March 2021. The programme comprises of an incredible community of 43* Individuals, who share an interest in fashion, creativity and philanthropy; all of whom personally donated to support British Fashion talent through the charity's talent support schemes.

*BFC Foundation patrons

Aarti Lohia, Aizel Trudel, Anna Knauf, Anna Sweeting, Ana-Karina de Paula Allen, Belma Gaudio, Bianca Gottesman, Cara Delevigne Foundation, Carmen Busquets, Daphne Guinness, Desiree Bollier, Ella Balinska, Emma Thynn, Marchioness of Bath, Eve Henderson, Felicia Brocklebank, Francis Sultana, Jordana Reuben, Daniela Neves, Karen Ruimy, Kate Haslett, Kate Storey, Kristin Ólafsdóttir, Lady Bamford, Lauren Santo Domingo, Mala Gaonkar, Maria Hatzistefanis, Maria Lemos, Maya Jama, Megha Mittal, Nasiba Adiloba, Natasha Poonawalla, Ruth Chapman, Sabrina Elba, Saffron Aldridge, Sara Bahamdan, Sian Westerman, Natalie Livingstone, Sofia Barattieri Weinstein, Sumru Ramsey, Victoria Brenninkmeijer, Yana Peel and Zoe Law.

British Fashion Council Foundation

Trustees' report for the 12 months ended 31 March 2022

The co-chairs of the Foundation, Narmina Marandi and Tania Fares, were appointed in January 2021, and have generously agreed to champion, lead and encourage an influential patron programme to provide insight into the work of the charity and enable the patrons to meet first-hand, the designers to whom their donations have benefitted through a variety of events. These have included London Fashion Week networking events, initiative winner events as well as private dinners.

A huge thank you for the support of our Advisory Committee: Aizel Trudel, Alison Loehnis, Dylan Jones, Edward Enninful, Elizabeth Saltzman, Imran Amed, Ingie Chalhoub, Jefferson Hack, Lauren Santo Domingo, Ruth Chapman, Samuel Ross and Yana Peel, who continue to provide collaborative opportunities in order to support the growth and stability of the Foundation. Our committee have and will continue to provide introductions to the patron programme and increased fundraising potential through connections as well as providing business support to grantees. In April 2022, the Foundation welcomed Samuel Ross into the fold. Ross, Creative Director and Founder of A COLD WALL*, will be supporting the Foundation by highlighting the barriers for people to access mentoring within the fashion industry and collaborating on ways to improve inclusivity and diversity in a broader range of businesses.

Grant giving initiatives and business support

The strategy of the BFC Foundation to date has been to champion excellence in fashion design and support the future growth and success of the British fashion industry by creating awards which raise the profile of excellence in creativity in British fashion design and by doing so relieve unemployment. Recipients of academic scholarships, financial grants and business mentoring support through the BFC Foundation are identified as individuals and businesses with real design talent and the potential to become successful international fashion brands. By focusing on education, grant giving and business mentoring, the charity aims to raise sufficient sums through fundraising activities to maintain and grow its grant giving programme.

The following initiatives are run annually by the BFC Foundation, with the support of the British Fashion Council and perfectly represent the creativity, innovation and talent that make up the fabric of the British fashion industry. All talent support schemes are celebrated through a finely tuned communications strategy which is executed through events, social media and via high profile leaders within the industry. Year on year, the aim is to communicate these initiatives to even further afield in order to celebrate the work of those taking part.

BFC/VOGUE DESIGNER FASHION FUND

Established in 2008, the BFC/Vogue Designer Fashion Fund aims to celebrate exceptional talent and empower businesses to play their part in positive growth through bespoke business mentoring, professional services, and the awarding of a substantial cash prize.

The winner of the 2021 BFC/Vogue Designer Fashion Fund was announced in May 2021 as BETHANY WILLIAMS. On top of Bethany's substantial gifts as a designer, her social and environmental business ethos made a significant impression of the grant awarding panel. In particular, her endeavours to work with recycled fabrics and support programmes that work with women who are homeless or in prison by teaching them making skills made her a stand out winner for the award in this year. The winner of the 2022 BFC/Vogue Designer Fashion Fund was announced in May 2022 as RICHARD QUINN. At the beginning of the year, Richard moved into a new, larger studio in South London in order to house his growing collections and workforce, while also providing a more intimate space for his private clients fittings, a growing part of his business. A business with diverse revenue streams, Richard Quinn prints his own fabrics alongside those of other notable brands alongside his own, including Burberry, JW Anderson and a host of emerging talents in the UK.

British Fashion Council Foundation

Trustees' report for the 12 months ended 31 March 2022

As well as a £200,000 grant, the winners received a mentoring programme through the BFC's support team, with access to funders, industry experts and pro bono legal services. The mentoring programme is also offered to all shortlisted designers.

BFC/GQ DESIGNER FASHION FUND

Established in 2013, the BFC/GQ Designer Fashion Fund aims to celebrate exceptional talent and empower businesses to play their part in positive growth through bespoke business mentoring, professional services, and awarding of a cash prize. The winner of the award in 2021/2022 BFC/GQ Designer Fashion Fund was PRIYA AHLUWALIA. Celebrated for her multiculturally infused collections, which touch on both tailoring and streetwear and have a strong focus on sustainability – with many pieces created from found garments and dead stock fabric, proving to the panel of judges that her focus on both environmental and social practices remained rigorous and there was a clear business strategy to continue in the future. For example, Ahluwalia collaborated with British brand Mulberry on a surplus leather handbag capsule collection.

In 2022, the winner of the BFC/GQ Designer Fashion Fund was NICHOLAS DALEY. Like Ahluwalia, Daley has had collaborations with other notable brands and designers, proving to this year's judges he had both the infrastructure and strategy in place to bring on more employees and grow the brand. Daley's strong DNA, drawing on his heritage, culture, with a strong leaning into music is evident in every brand touch point from collections, through to zines, through to immersive presentations. His focus on developing key markets such as Japan and US, and routes to entry showed a strong business vision for growth.

BFC NEWGEN

BFC NEWGEN is the most established talent identification scheme globally and designers are identified by their creativity, strong design aesthetic and point of difference. BFC NEWGEN supports the very best emerging talent and aims to build strong foundations for global, high-end fashion brands of the future.

In September 2021, London Fashion Week supported by Clearpay also teamed up with TIKTOK, (NEWGEN's Principal Partner) to produce a show space for designers to create shows and presentation to reach global audiences. The Old Selfridges Hotel provided a space for NEWGEN designers to show their designs physically, whilst TIKTOK provided the digital platform and know-how in order to promote the designers globally. Designer, LABRUM London's show, a highlight, was a celebration of West African culture, with memorable celebratory musical performances.

In 2022, the Institute of Positive Fashion (IPF) developed a set of Minimum Standards, as a permanent framework, that will put into action social and environmental change across its NEWGEN designer participants and programme of events. These standards will continue to encourage and incentivise our designers to operate within a social and environmentally circular system. We hope to roll this out across all of our initiatives over time.

The 2021/22 NEWGEN full list of recipients: HELEN KIRKUM | ROKER | SAUL NASH | PAOLO CARZANA | PER GOTESSON | ROBYN LYNCH | S.S. DALEY | STEFAN COOKE | LABRUM LONDON | ASAI

The 2022/23 NEWGEN recipients are: Ahluwalia | ANCUȚA SARCA | ASAI | Bethany Williams | Chet Lo | Conner Ives | DI PETSIA | EFTYCHIA | FEBEN | HARRI | HELEN KIRKUM | LABRUM London | Leo Carlton | MASHA POPOVA | Nensi Dojaka | Paolo Carzana | ROBYN LYNCH | ROKER | S.S.DALEY | SAUL NASH | Sinéad O'Dwyer | Stefan Cooke | yuhan wang

British Fashion Council Foundation

Trustees' report for the 12 months ended 31 March 2022

BFC FASHION TRUST

The BFC Fashion Trust empowers positive business growth through financial grants and mentoring. 'Empowering growth' is a core strategic pillar at the BFC and since its inception in 2011 the BFC Fashion Trust has awarded over £2.5m to 50 designers and mentoring. This grant money should relate to a defined project that will be delivered within a set period of time, and applicants must articulate how projects align to their broader business growth vision and show a clear return on investment. For example, E.L.V Denim, used these funds in 2021 to build a Made To Order studio, including renting a new space, new machines and equipment to continue to grow, create made to order pieces and fulfil small wholesale orders. This project ensured that E.L.V Denim maintains itself as an upcycling-concept and guaranteed the lowest carbon emissions as possible whilst supporting local businesses and communities.

The 2021/22 shortlist: COMPLETEDWORKS | E.L.V. DENIM | HALPERN | NEOUS | NICHOLAS DALEY | WALES BONNER

This year's 2022 shortlist: COMPLETEDWORKS | E.L.V. DENIM | NEOUS | RICHARD MALONE | SUPRIYA LELE | TOVE | WALES BONNER

THE FASHION AWARDS, PRESENTED BY TIK TOK

The Fashion Awards 2022 presented by TikTok took place on Monday 29th November at the Royal Albert Hall, London. The Fashion Awards are the principal fundraiser for the BFC Foundation and the BFC donated a record £1,000,000 to the charity from the proceeds of the event and its other activities.

This year, the awards celebrated its first BFC Foundation Award, directly linking the Awards to the Charity and its recipients. This award recognised an emerging designer talent, who has had a major creative impact on global fashion, from those receiving financial and mentoring support from the BFC Foundation in the year. This includes the NEWGEN in partnership with TikTok recipients, the BFC/Vogue Designer Fashion Fund winner and shortlist, the BFC/GQ Designer Menswear Fund winner and shortlist and the BFC Fashion Trust recipients. In 2021, it was awarded to the designer Nensi Dojaka.

The scholarship and education programmes and recipients were celebrated on the night of the Awards in a specially created content piece. The film detailed the scholarship experiences as a result of the opportunity the benefit they had provided to individuals.

Trustees

The trustees are responsible for the strategic direction and policy of the BFC Foundation and, subject to any prudent delegation to advisers and agents, make all substantive decisions in relation to the BFC Foundation. In furtherance of this, the trustees meet as and when required and will hold at least three board meetings per year. The trustees may delegate any of their powers or functions to committees but the terms of delegation must be agreed in advance.

The trustees have established procedures for the examination of grant recommendations and the conduct of due diligence. Grant recommendations which satisfy the trustees' policy requirements receive final approval from the trustees before being made.

British Fashion Council Foundation

Trustees' report for the 12 months ended 31 March 2022

The trustees of the BFC Foundation, who unless otherwise stated held office during the financial period and up to the date of signing of the financial statements, were as follows:

Stephanie Phair OBE
Caroline Rush CBE
Laura Strain
Pamela Batty

The trustees did not hold any beneficial interest in the BFC Foundation at 31 March 2022 or at any time during the financial period.

Qualifying third party indemnity provisions

A qualifying third-party indemnity provision as defined in Section 234 Companies Act 2006 is in force for the benefit of each of the trustees in respect of liabilities incurred as a result of their office, to the extent permitted by law. In respect of those liabilities for which trustees may not be indemnified, the BFC Foundation maintained a directors' and officers' liability insurance policy throughout the financial period. This indemnity was in force at the date of the approval of these financial statements.

Appointment of trustees

The trustees of the BFC Foundation are also the trustees for the purposes of charity law. Trustees are appointed by the BFC pursuant to the BFC Foundation's Articles of Association. The number of trustees shall not be less than three but is not subject to any maximum number. The normal term of office shall be 3 years and a trustee shall be eligible for re-appointment by the BFC for a further term of 3 years in accordance with the Articles of Association.

Trustee induction and training

On appointment, new trustees are briefed on their legal obligations and powers as charity trustees. New trustees are also provided with a copy of the BFC Foundation's Memorandum and Articles of Association, and information on the history and structure of the BFC Foundation, as well as the decision making processes, policies and the future plans and objectives of the BFC Foundation.

Advisers

The names and addresses of the BFC Foundation's advisers are shown on page 1.

Policy statement on reserves

The BFC Foundation does not require significant funds to manage its day to day activities. The trustees aim to maintain a minimum reserve of £100,000. In the event that no prizes could be awarded, this level of unrestricted reserves would be sufficient to cover the on-going administration of the charity for a period of at least twelve months from the date of approving the financial statements with some cost management. This reserve level is reviewed on an annual basis.

British Fashion Council Foundation

Trustees' report for the 12 months ended 31 March 2022

Policy statement on reserves (cont)

As at 31 March 2022 the charity had net assets of £5,651,815 (2021: £4,668,192) including a cash balance of £5,720,891 (£4,793,121). The breakdown of reserves between unrestricted funds and restricted funds is as follows:

Net Assets	2022	2021
Unrestricted	3,855,057	2,618,435
Restricted - Fashion Trust Growth Grants	845,570	1,028,570
Restricted - BA & MA scholarships	901,188	1,021,187
Restricted - Positive Fashion	50,000	-
Total Net Assets	5,651,815	4,668,192

Principal funding source

The principal funding source of the Foundation is the British Fashion Council which donated £1,000,000 from the surplus that was generated from activities in the year.

The Foundation's approach to fundraising is largely relationship led, through individual donor giving, corporate donors and through corporate sponsorship through a formal agreement with the British Fashion Council. The agreement grants exclusive rights to the BFC to enter into licensing arrangements with third party corporate supporters on behalf of the charity, with the understanding that any net financial contributions received must be donated to the charity.

The BFC Foundation is not subject to any undertakings to be bound by a voluntary scheme for regulating fund-raising, or any voluntary standard of fund-raising, in respect of activities on behalf of the charity.

The trustees are satisfied that reasonable steps have been taken to protect vulnerable people and other members of the public from behaviour which is an unreasonable intrusion on a person's privacy, is unreasonably persistent or places undue pressure on a person to give money or other property. There have been no complaints in the period regarding activities by the charity for the purposes of fundraising.

Investment policy

The BFC Foundation's donations are currently held on bank deposit accounts. As the BFC Foundation grows, the trustees will develop an investment policy to place surplus funds in appropriate investments of low risk, whilst ensuring that at least the minimum reserve level is maintained.

British Fashion Council Foundation

Trustees' report for the 12 months ended 31 March 2022

Going concern

The trustees are responsible for reviewing the budgets and cash flow forecasts which confirm the charitable company has sufficient funds to enable it to meet its liabilities as and when they fall due, for the foreseeable future and for a minimum period of one year from the approval date of the charitable company's financial statements. The trustees are confident that if the charitable company does not meet its anticipated donation and voluntary income forecasts that appropriate action can be taken to reduce any expenditure to ensure the charity can continue in operational existence. Based on the above, the trustees have a reasonable expectation that the charity will have sufficient working capital for the foreseeable future and consequently believe that it is appropriate for the financial statements to be prepared on a going concern basis.

Internal controls and the mitigation of major risks

The BFC Foundation is administered on dedicated accounting software. Bank accounts are maintained in the BFC Foundation's own name with authorised account signatories. All material transactions are reviewed by the trustees.

The major risks to which the charity is exposed are as follows: -

Operating Risk: the BFC provides all management and administrative support to the BFC Foundation therefore the charity is reliant on the BFC to operate. The BFC Foundation has at least one trustee who also serves on the BFC Board who has sufficient oversight of the strategic plans and financial forecasts of the BFC to ensure it can continue to provide managerial and administrative services to the charity. In the unlikely event that the BFC could no longer provide such support, the trustees would either employ personnel to carry out the charitable activities directly or seek to find an alternative partner. The trustees ensure that there are sufficient reserves in the charity to finance this if required.

Financial Risk: there is a risk of a shortfall in donations to enable the BFC Foundation to award financial grants associated with the charity's talent support schemes. The trustees review the level of donations in the charity each year balanced against its budgeted grant giving activities and any ongoing commitments. The BFC has donated £750,000 to underwrite the activities for the coming year. The trustees continue to explore and expand the fundraising ambitions and activities of the charity.

Statement of trustees' responsibilities

The trustees (who are also directors of the BFC Foundation for the purpose of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and regulation.

Company law requires the trustees to prepare financial statements for each financial period. Under that law the trustees have prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

British Fashion Council Foundation

Trustees' report for the 12 months ended 31 March 2022

Statement of trustees' responsibilities (cont)

Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the 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 Statement of Recommended Practice: Accounting and Reporting by Charities (Effective 1 January 2019);
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, comprising FRS 102, 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 charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and 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.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and the trustees have taken all steps that they ought to have taken in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

Small company regime

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006 and the charitable company is therefore exempt from the requirements to prepare a Strategic Report.

Approved on behalf of the board of trustees and signed on its behalf by:



Laura Strain
Trustee

BFC Foundation Ltd
30 June 2022

Independent auditors' report to the member of British Fashion Council Foundation

Independent Auditor's Report to the Members of British Fashion Council Foundation

Opinion

We have audited the financial statements of British Fashion Council Foundation, the 'charitable company' for the year ended 31 March 2022 which comprise the Statement of Financial Activities, the Balance Sheet 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 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 trustee's 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 contained within the annual report. 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 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

Independent auditors' report to the member of British Fashion Council Foundation

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 our audit

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In 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 strategic report or the directors' report included within 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 and proper accounting records have not been kept; 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 take advantage of the small companies exemption in preparing the trustees' report

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 11 and 12, the trustees (who are also the 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 but to do so.

Independent auditors' report to the member of British Fashion Council Foundation

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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011 and taxation legislation, together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company for fraud. The laws and regulations we considered in this context for the UK operations were Data Protection Regulation (GDPR).

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of the recognition of income and override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Board about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing any regulatory correspondence with the Charity Commission and reading minutes of meetings of those charged with governance.

Independent auditors' report to the member of British Fashion Council Foundation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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.



Julia Poulter
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor

London

22 September 2022

British Fashion Council Foundation

Statement of financial activities for the year ended 31 March 2022

(Incorporating income and expenditure account)

	Note	Unrestricted Funds	Restricted Funds	Total Funds	Total Funds
		2022	2022	2022	2021
		£	£	£	£
Income					
Donations and legacies	4	1,631,846	290,000	1,921,846	2,073,647
Transfers from legacy charities	5	-	-	-	2,872,247
Income from Investments		470	-	470	1,590
Total income		1,632,316	290,000	1,922,316	4,947,484
Expenditure on charitable activities	6	(395,694)	(542,999)	(938,693)	(1,430,073)
Net movement in funds for the period		1,236,622	(252,999)	983,623	3,517,411
Reconciliation of funds					
Total funds brought forward	9	2,618,435	2,049,757	4,668,192	1,150,781
Total funds carried forward	9	3,855,057	1,796,758	5,651,815	4,668,192

The above results derive entirely from continuing operations.

The charity has no comprehensive income other than the surplus above and therefore no separate statement of comprehensive income has been presented.

British Fashion Council Foundation

Balance sheet as at 31 March 2022

	Note	2022 £	2021 £
Current assets			
Cash at bank and in hand		5,720,891	4,793,121
Creditors: amounts falling due within one year	8	(69,076)	(124,929)
Net current assets		<u>5,651,815</u>	<u>4,668,192</u>
Net assets	9	<u>5,651,815</u>	<u>4,668,192</u>
The funds of the Charity:			
Unrestricted income funds	9	3,855,057	2,618,435
Restricted income funds	9	1,796,758	2,049,757
Total Charity Funds		<u>5,651,815</u>	<u>4,668,192</u>

The notes on pages 19 to 25 are an integral part of these financial statements.

The financial statements on pages 17 to 25 which have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within the Companies Act 2006, Pt. 15 [1], were approved by the board of trustees on 21 April 2022 and signed on its behalf by:



Laura Strain
Trustee
30 June 2022

BFC Foundation
Registered Company No: **11917315**
Registered Charity No: **1185152**

British Fashion Council Foundation

Notes to the financial statements for the year ended 31 March 2022

1. Statement of compliance

The individual financial statements of the BFC Foundation have been prepared in compliance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective January 2019) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all periods presented, unless otherwise stated. The BFC Foundation has adopted Charities SORP (FRS 102) in these financial statements.

(a) Basis of preparation

These financial statements are prepared under the historical cost convention. The preparation of financial statements in conformity with Charities SORP (FRS 102) requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the charitable company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates, significant to the financial statements are considered and disclosed in note 3.

(b) Going Concern

The trustees are responsible for reviewing the budgets and cash flow forecasts which confirm the charitable company has sufficient funds to enable it to meet its liabilities as and when they fall due, for the foreseeable future and for a minimum period of one year from the approval date of the charitable company's financial statements. The trustees are confident that if the charitable company does not meet its anticipated donation and voluntary income forecasts that appropriate action can be taken to reduce any expenditure to ensure the charity can continue in operational existence. Based on the above, the trustees have a reasonable expectation that the charity will have sufficient working capital for the foreseeable future and consequently believe that it is appropriate for the financial statements to be prepared on a going concern basis.

(c) Incoming resources

Donations and voluntary income are only included in the Statement of financial activities where the charitable company has unconditional entitlement to the resource. Amounts paid by the supporters of the Fashion Trust are taken into income in the year to which they relate and any amounts received by the balance sheet date in respect of future years are deferred and recognised over the period of support.

British Fashion Council Foundation

Notes to the financial statements for the 12 months ended 31 March 2022 (continued)

2. Summary of significant accounting policies (continued)

(d) Expenditure

Expenditure is included in the Statement of financial activities once there is a legal or constructive obligation to make payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Services paid for by the charitable company are recorded at fair value and included in governance costs (see note 6).

(e) Fund accounting

The unrestricted fund comprises general funds which are used to meet the charitable objects of the charitable company at the discretion of the trustees. The restricted fund comprises general funds which are used to meet the objectives of the Trust.

(f) Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held with banks.

(g) Taxation

The BFC 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. VAT is included within expenditure where it is not recoverable.

(h) Cash flow statement

The charitable company is exempt under FRS 102 Section 1A from the requirement to publish a cash flow statement under Financial Reporting Standard 1 (revised) "Cash flow statements".

(i) Financial Instruments

Basic financial assets, including trade and other receivables and cash and bank balances are initially recognised at transaction price. Financial liabilities held at amortised cost comprise trade and other creditors.

3. Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The charitable company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. It is in the opinion of the trustees that there are no estimates and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

British Fashion Council Foundation

Notes to the financial statements for the 12 months ended 31 March 2022 (continued)

4 Voluntary income

	2022	2021
	£	£
Monetary contributions received		
Unrestricted contributions	1,631,846	1,426,880
Designated contributions – BFC Fashion Fund for the Covid Crisis	-	646,767
Designated contribution - BFC Vogue Fashion Fund	120,000	-
Designated contribution – Educational scholarships	120,000	-
Designated contribution - Positive Fashion	50,000	-
	1,921,846	2,073,647

5 Transfers in from legacy charities

	2022	2021
	£	£
Unrestricted contributions	-	547,464
Designated contributions – Fashion Trust Growth Grants	-	1,200,007
Designated contribution – Educational scholarships	-	1,124,776
	-	2,872,247

6 Expenditure on charitable activities and net expenditure for the period

	2022	2021
	£	£
Direct costs		
Promo	5,153	-
Grants	933,499	1,426,420
Support Costs		
Promotion	-	2,640
Grant costs	-	239
Governance	41	774
Total expenditure on charitable activities	938,693	1,430,073

The statutory audit costs were borne by the parent company.

7 Staff costs and trustees' remuneration

No staff were employed by the charitable company during the financial period (2021: none).

The trustees received no remuneration in respect of their services to the charitable company during the financial period (2021: £nil). No trustee received any reimbursement of expenses during the financial period (2021: £nil).

British Fashion Council Foundation

Notes to the financial statements for the 12 months ended 31 March 2022 (continued)

8 Creditors: amounts falling due within one year

	2022	2021
	£	£
Inter-company creditors	-	37,500
Trade creditors	27,300	3,020
Accruals and deferred income	41,776	84,409
	69,076	124,929

9 Funds

	As at 1 April 2021 £	Incoming resources £	Resources expended £	As at 31 March 2022 £
Unrestricted income funds				
General funds	2,618,435	1,632,316	(395,694)	3,855,057
Restricted income funds				
Fashion Trust Growth Grants	1,028,570	-	(183,000)	845,570
BA & MA Scholarships	1,021,187	120,000	(239,999)	901,188
BFC Vogue Fashion Fund	-	120,000	(120,000)	-
Positive Fashion	-	50,000	-	50,000
Total charity funds	4,668,192	1,922,316	(938,693)	5,651,815

British Fashion Council Foundation

Notes to the financial statements for the 12 months ended 31 March 2022 (continued)

9 Funds (continued)

Prior Year Funds

	As at 1 April 2020 £	Incoming resources £	Resources expended £	As at 31 March 2021 £
Unrestricted income funds				
General funds	996,125	1,975,934	(353,624)	2,618,435
Restricted income funds				
Fashion Trust Growth Grants	71,325	1,307,245	(350,000)	1,028,570
BA & MA Scholarships	83,331	1,124,776	(186,920)	1,021,187
BFC Covid Fund	-	539,529	(539,529)	-
Total charity funds	<u>1,150,781</u>	<u>4,947,484</u>	<u>(1,430,073)</u>	<u>4,668,192</u>

Unrestricted income funds

This general fund is primarily for the annual awards to the recipients who fulfil all the charity objectives to raise the profile of excellence in creativity in British fashion design and to relieve unemployment by supporting the future growth and success of the British Fashion Industry. This fund may also award monetary and mentoring prizes at the discretion of the trustees. This is in consultation with judging panels of industry experts who are brought together by the charity as required. This general fund will also be used to cover the general running costs of the charity.

Donations to the general fund are made by individuals and organisations and are made freely in support of the charity's objects.

Restricted income funds

BFC Fashion Trust Growth Grants

This restricted fund is specifically to recognise those individuals, charities, organisations, institutions, and undertakings who are deemed to promote the art of fashion design and to relieve unemployment by supporting the future growth and success of the British Fashion Industry. Funds raised will go towards the Fashion Trust grant giving and mentoring programme focused on supporting independent designer fashion businesses to accelerate their growth. Donations to the fund to date have been raised from individuals and corporate institutions.

British Fashion Council Foundation

Notes to the financial statements for the 12 months ended 31 March 2022 (continued)

Education: BA and MA scholarships

This restricted fund is specifically for the advancement of education in awarding scholarships, bursaries, or maintenance allowances tenable at any university or other educational establishments approved by the trustees, to graduates of British Fashion schools to study fashion design and related subjects. Students receiving support through this fund are identified as individuals with real design talent and the potential to become successful designers in the future.

BFC Fashion Fund for the Covid Crisis

This restricted fund was established in March 2021 to support creative fashion businesses and individuals to survive the Coronavirus crisis. Support is allocated to viable businesses depending on their urgency and capability to come through and thrive post crisis. Support that was pledged for the BFC Vogue Designer Fashion Fund and the BFC GQ Fund was diverted to this fund in the year with the permission of the shortlisted candidates and the donors.

Positive Fashion

This restricted fund was created through the generosity of Jimmy Choo Limited for the advancement of the clothing Industry through the Improvement of standards and quality of performance within the industry.

There were no transfers to or from other funds during the financial period (2021: £nil).

The analysis of net assets between funds is as follows:

	Unrestricted funds 2022 £	Restricted funds 2022 £	As at 31 March 2022 £	As at 31 March 2021 £
Current assets	3,855,057	1,727,682	5,582,739	4,793,121
Current liabilities		(69,076)	(69,076)	(124,929)
Total net assets	3,855,057	1,796,758	5,651,815	4,668,192

10 Capital

The BFC Foundation is a company limited by guarantee and has no share capital. In the event of the BFC Foundation being wound up, the liability of the sole member, the British Fashion Council Limited, is limited to £1.

11 Ultimate controlling party

There is no ultimate controlling party. The trustees control the activities of the charity.

British Fashion Council Foundation

Notes to the financial statements for the 12 months ended 31 March 2022 (continued)

13 Related Parties

The BFC Foundation is a related party of the BFC through virtue of the fact that BFC is the sole member of the company.

The BFC donated £1,000,000 to the British Fashion Council Ltd in the year. Three of the trustees of the charity are directors of the BFC however, the donation is signed off by the BFC Executive Board which at the 31 March 2022 had three independent non-executive directors who are not officers of the BFC Foundation.

Two Trustees are remunerated in relation to their roles as executive directors of the charities parent entity, British Fashion Council Ltd.