

**Registered Company Number: 11917315**

**Registered Charity Number: 1185152**

# **British Fashion Council Foundation**

## **Annual report and financial statements for the year ended 31 March 2023**

# British Fashion Council Foundation

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# British Fashion Council Foundation

## Charity Details

### Directors and Trustees

Pamela Batty  
David Pemsel  
Caroline Rush CBE  
Laura Strain

### 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 year ended 31 March 2023**

### **Report of the Trustees for the 12 months ended 31 March 2023**

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 2023, 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 2019.

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 on the BFC’s website and 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 2019 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 year ended 31 March 2023**

### **REVIEW OF ACTIVITIES AND PLANS FOR THE FUTURE**

2023 marked the 30-year anniversary of BFC NEWGEN, a showcasing support scheme established by the British Fashion Council in 1993 and now managed through the BFC Foundation, to enable a group of designers, including the late Lee Alexander McQueen, to showcase their collections at London Fashion Week. We announced NEWGEN 30, a year-long celebration, which included an exhibition in collaboration with Alexander McQueen and the Design Museum which opened in September 2023. Reflecting on the amazing legacy of the 300 alumni that have been part of NEWGEN has been very inspiring and brings to life the UK's USP for creativity and innovation and highlights the disproportionate impact that we have globally. Thank you to Sarah Mower the BFC's Ambassador for Emerging Talent and to everyone that worked tirelessly to raise awareness of the work of NEWGEN and BFC Foundation.

The BFC Foundation brings together the BFC's charitable initiatives to support the future growth and success of the British fashion industry. The Foundation focuses on education, grant-giving, business mentoring, and the Institute of Positive Fashion. Creating pathways to support British fashion talent remains central to the mission of the BFC. We recognise the need to grow this support, increase the diversity of the talent pool, and support businesses that are leading the way in environmental and community impact. In FY22/23, the Foundation distributed nearly £1million to talented fashion designers and scholars as part of the BFC's grant-giving initiatives, including BFC NEWGEN, BFC/GQ Designer Fashion Fund, BFC/Vogue Designer Fashion Fund, BFC Fashion Trust and through the BFC Foundation scholarship programme.

Thank you to the co-chairs of the BFC Foundation Fundraising Committee, philanthropists and investors Narmina Marandi and Tania Fares, who are tasked with raising funds to maintain and expand its grant-giving programmes with the support of an influential international Patronage Programme.

The Fashion Awards (TFA) celebrates excellence in creativity and innovation across the global fashion industry, spotlighting fashion's role at the intersection of culture. TFA 2022, presented by Diet Coke, had the largest impact to date. The event reached 8.4 million people through BFC channels alone and 43 million views across Diet Coke co branded content, it remains the biggest fundraising event for the BFC Foundation. British designers Wales Bonner and SS Daley were celebrated for excellence alongside the Outstanding Achievement Award winner Yvon Chouinard, founder and former owner of Patagonia. The event included performances from Olivia Dean, Shygirl and Jessie Ware.

Thank you to outgoing trustee, Stephanie Phair OBE, who stepped down in 2022 and to the brilliant BFC team who continue to provide the infrastructure to support the Foundation and help to create an industry for the future that is creative, sustainable, and innovative.

### **Fundraising**

The charity announced the launch of the BFC Foundation Patron Programme in March 2021. The programme comprises of an incredible community of 41\* 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.

# **British Fashion Council Foundation**

## **Trustees' report for the year ended 31 March 2023**

\*BFC Foundation patrons as at 31 March 2023

Aarti Lohia, Aizel Trudel, Ana-Karina de Paula Allen, Andrea Dreesman, Anna Sweeting, Belma Gaudio, Bianca Gottesman, Brigitta Spinocchia Freund, Carmen Busquets, Claire-Anne Stroll, Daniela Neves, Desiree Bollier, Divock Origi, Elena Petchenikova, Esha Arora, Eve Henderson, Felicia Brocklebank, Francesca Roni, Hanushka Toni, Heather Porter, Kate Haslett, Kate Storey, Kristin Ólafsdóttir, Lady Carole Bamford, Maria Hatzistefanis, Maria Lemos, Megha Mittal, Nasiba Adilova, Natalie Livingstone, Natasha Poonawalla, Rosie Huntington-Whiteley, Ruth Chapman, Sian Westerman, Sofia Barattieri Weinstein, Sophia Chikovani, Sudha Reddy, Sumru Ramsey, Themis Zouganelli, Victoria Brenninkmeijer, Yana Peel and Zoe Law.

The co-chairs of the Foundation Fundraising Committee, Narmina Marandi and Tania Fares, 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: Adam Baidawi, Aizel Trudel, Alison Loehnis, Edward Enninfu, Emma Thynn, Marchioness of Bath, Elizabeth Saltzman, Ingie Chalhoub, Jefferson Hack, Lauren Santo Domingo, Ruth Chapman, Sabrina Elba, 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.

### **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 provides the winner with a substantial cash prize to support their growth and contribution to the British and global fashion ecosystem, alongside pro-bono bespoke high-level business mentoring and professional services. The Fund receives the very generous support of British Vogue, Burberry and Paul Smith.

# British Fashion Council Foundation

## Trustees' report for the year ended 31 March 2023

The winner of the 2022 BFC/Vogue Designer Fashion Fund was announced in May 2022 as RICHARD QUINN. 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.

More recently, the Foundation was delighted to announce 16Arlington as the winner of the 2023 BFC/Vogue Designer Fashion Fund (BFC/VDFF). Founded by Marco Capaldo and the late Federica Cavenati in 2018, 16Arlington is a London-based womenswear label hailed as the cool girl's go-to for 'conversation-starting' evening wear. 16Arlington has dressed powerful women around the world including Hailey Bieber, Simone Ashley, Emma Corrin, Adwoa Aboah, Jodie Turner Smith, Olivia Rodrigo, and Naomi Campbell. A.W.A.K.E. MODE, Ahluwalia, Alighieri, Completedworks, PĪFERI and Supriya Lele were all shortlisted for the 2023 prize and were invited to present their collections and business plan to the panel. The BFC/VDFF was open to all gender collections and/or accessories.

The judging panel was chaired by Caroline Rush CBE, Chief Executive, British Fashion Council and Edward Enninful OBE, Editor-in-Chief of British Vogue and European Editorial Director, Vogue. The panel comprised of experts from across the fashion industry: Alexa Chung, Designer, Model, Author; Lauren Indvik, Fashion Editor, Financial Times; Munroe Bergdorf, Model, Presenter, Activist; Rod Manley, Chief Marketing Officer, Burberry; Sarah Harris, Deputy Editor and Fashion Features Director, British Vogue; Sarah Mower MBE, Vogue.com & BFC Ambassador for Emerging Talent.

As well as a financial 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

In 2022, the winner of the BFC/GQ Designer Fashion Fund was NICHOLAS DALEY. Daley has had collaborations with other notable brands and designers, proving to the 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.

In June 2023, the Foundation announced Grace Wales Bonner, Founder of WALES BONNER, as the winner of the 2023 BFC/GQ Designer Fashion Fund and as such, will receive a 12-month bespoke high-level business mentoring programme, pro-bono legal services from Sheridans and a cash prize of £100,000.

The shortlist included AGR, Bianca Saunders, Bleue Burnham and paria /FARZANEH who will have the opportunity to participate in a mentoring programme through the BFC's Designer Initiatives team, with access to industry and business experts, and pro-bono legal services delivered by law firm Sheridans.

Chaired by Caroline Rush CBE and Adam Baidawi, Head of Editorial Content, British GQ & Deputy Global Editorial Director, GQ, the panel was made up of industry experts including Damien Paul, Head of Menswear Buying, Matchesfashion.com; Laurent Malecaze, CEO, Dunhill; Leah Abbott, Stylist; Murray Clark, Senior Style Editor, GQ; Samuel Ross, 2019 Winner of the BFC/GQ Designer Fashion Fund and Founder, A-COLD-WALL\*; Tan France, Fashion Designer, TV Personality and Author.

# British Fashion Council Foundation

## Trustees' report for the year ended 31 March 2023

### BFC NEWGEN

NEWGEN is a British Fashion Council programme, supporting the best emerging fashion design talent, with the aim of building creative responsible businesses for the future. Established in 1993, NEWGEN has nurtured the careers of hundreds of designers and businesses, launching many of them onto the international stage.

2023 marks 30 years since the launch of NEWGEN, an initiative set up to enable a group of designers, including the late Lee Alexander McQueen, to showcase their collections at London Fashion Week to international media and retailers. Throughout 2023, the British Fashion Council celebrated the influence of the NEWGEN community on the fashion industry at large and London's globally recognised role in nurturing emerging talent and the next generation of visionary creatives.

NEWGEN is the BFC's most recognised designer showcasing and development scheme globally and recipients are identified by their creativity, strong aesthetic and innovative approach to design. It offers showcasing opportunities at London Fashion Week, financial grants, and mentoring to develop critical skills to future proof their businesses.

Each year, recipients are identified by their creativity, strong design aesthetic, and point of difference.

The 2022/23 NEWGEN recipients were: Ahluwalia | ANCUȚA SARCA | ASAI | Bethany Williams | Chet Lo | Conner Ives | DI PETSA | 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

The 2023/24 BFC NEWGEN recipients are: AARON ESH | ANCUTA SARCA | Chet Lo | Conner Ives | DERRICK | DI PETSA | EFTYCHIA | FEBEN | HARRI | HELEN KIRKUM | Kazna Asker | LABRUM London | Leo Carlton | MASHA POPOVA | Paolo Carzana | ROBYN LYNCH | S.S. DALEY | SAUL NASH | Sinéad O'Dwyer | The Winter House | TOLU COKER | yuhan wang

### 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 2022 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 2022 recipients were: Completedworks | E.L.V. Denim | Neous | Richard Malone | Supriya Lele | TOVE | Wales Bonner

The 2023, announced in May 2023 were: Chopova Lowena | Fruity Booty | Molly Goddard | NEOUS | PIFERI | Richard Malone



# **British Fashion Council Foundation**

## **Trustees' report for the year ended 31 March 2023**

### **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.

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:

Pamela Batty  
David Pemsel  
Caroline Rush CBE  
Laura Strain

The trustees did not hold any beneficial interest in the BFC Foundation at 31 March 2023 or at any time during the financial period.

The Foundation is currently undergoing recruitment of a fifth trustee with a legal background to bolster and diversify the skillset of the Board of trustees.

### **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. The Directors have given careful regard to the need to foster the company's business relationships with suppliers, donors and others.

### **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

# British Fashion Council Foundation

## Trustees' report for the year ended 31 March 2023

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.

As at 31 March 2023 the charity had net assets of £5,891,951 (2022: £5,651,815) including a cash balance of £5,950,494 (£5,720,891). The breakdown of reserves between unrestricted funds and restricted funds is as follows:

Net Assets	2023	2022
Unrestricted	4,582,747	3,855,057
Restricted - Fashion Trust Growth Grants	648,070	845,570
Restricted - BA & MA scholarships	611,134	901,188
Restricted - Positive Fashion	50,000	50,000
Total Net Assets	<b>5,891,951</b>	<b>5,651,815</b>

### Principal funding source

The principal funding source of the Foundation is the British Fashion Council which donated £400,000 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.

# British Fashion Council Foundation

## Trustees' report for the year ended 31 March 2023

### Investment policy

The BFC Foundation's donations are currently held on bank deposit accounts, including fixed term, high interest 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.

### 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 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 year ended 31 March 2023

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  
21 December 2023

# **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 2023 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 2023 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.

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

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

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;
- 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 9, 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](http://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 in addition to sample testing of income and reviewing underlying agreement and support to ensure appropriate recognition.

# 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**

21 December 2023



# British Fashion Council Foundation

## Statement of financial activities for the year ended 31 March 2023

(Incorporating income and expenditure account)

	Note	Unrestricted Funds	Restricted Funds	Total Funds	Total Funds
		2023	2023	2023	2022
		£	£	£	£
<b>Income</b>					
Donations and legacies	4	1,175,077	110,088	1,285,165	1,921,846
Income from Investments		35,903	-	35,903	470
<b>Total income</b>		<b>1,210,980</b>	<b>110,088</b>	<b>1,321,068</b>	<b>1,922,316</b>
<b>Expenditure on charitable activities</b>	5	(483,290)	(597,642)	(1,080,932)	(938,693)
<b>Net movement in funds for the period</b>		<b>727,690</b>	<b>(487,554)</b>	<b>240,136</b>	<b>983,623</b>
<b>Reconciliation of funds</b>					
<b>Total funds brought forward</b>	8	3,855,057	1,796,758	5,651,815	4,668,192
<b>Total funds carried forward</b>	8	<b>4,582,747</b>	<b>1,309,204</b>	<b>5,891,951</b>	<b>5,651,815</b>

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 2023

	Note	2023 £	2022 £
<b>Current assets</b>			
Cash at bank and in hand		<b>5,950,494</b>	5,720,891
<b>Creditors: amounts falling due within one year</b>	7	<b>(58,543)</b>	(69,076)
<b>Net current assets</b>		<b>5,891,951</b>	5,651,815
<b>Net assets</b>	8	<b>5,891,951</b>	5,651,815
<b>The funds of the Charity:</b>			
Unrestricted income funds	8	<b>4,582,747</b>	3,855,057
Restricted income funds	8	<b>1,309,204</b>	1,796,758
<b>Total Charity Funds</b>		<b>5,891,951</b>	5,651,815

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 December 2023 and signed on its behalf by:



**Laura Strain**  
**Trustee**  
21 December 2023

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 2023**

### **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 year ended 31 March 2023 (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 year ended 31 March 2023 (continued)

### 4 Voluntary income

	2023	2022
	£	£
<b>Monetary contributions received</b>		
Unrestricted contributions	1,175,077	1,631,846
Designated contribution - BFC Vogue Fashion Fund	110,000	120,000
Designated contribution – Educational scholarships	88	120,000
Designated contribution - Positive Fashion	-	50,000
	<b>1,285,165</b>	<b>1,921,846</b>

### 5 Expenditure on charitable activities and net expenditure for the period

	2023	2022
	£	£
<b>Direct costs</b>		
Promo	87,914	5,153
Grants	990,000	933,499
<b>Support Costs</b>		
Promotion	50	-
Governance	2,968	41
<b>Total expenditure on charitable activities</b>	<b>1,080,932</b>	<b>938,693</b>

Audit fees for the Foundation are paid for by the British Fashion Council and therefore are not separately disclosed.

### 6 Staff costs and trustees' remuneration

No staff were employed by the charitable company during the financial period (2022: none).

The trustees received no remuneration in respect of their services to the charitable company during the financial period (2022: £nil). No trustee received any reimbursement of expenses during the financial period (2022: £nil).

# British Fashion Council Foundation

## Notes to the financial statements for the year ended 31 March 2023 (continued)

### 7 Creditors: amounts falling due within one year

	2023	2022
	£	£
Trade creditors	56,377	27,300
Accruals and deferred income	2,166	41,776
	<u>58,543</u>	<u>69,076</u>

### 8 Funds

	As at 1 April 2022 £	Incoming resources £	Resources expended £	As at 31 March 2023 £
<b>Unrestricted income funds</b>				
General funds	3,855,057	1,210,980	(483,290)	<b>4,582,747</b>
<b>Restricted income funds</b>				
Fashion Trust Growth Grants	845,570	-	(197,500)	<b>648,070</b>
BA & MA Scholarships	901,188	88	(290,142)	<b>611,134</b>
BFC Vogue Fashion Fund	-	110,000	(110,000)	-
Positive Fashion	50,000	-	-	<b>50,000</b>
<b>Total charity funds</b>	<u>5,651,815</u>	<u>1,321,068</u>	<u>(1,080,932)</u>	<u><b>5,891,951</b></u>

# British Fashion Council Foundation

## Notes to the financial statements for the year ended 31 March 2023 (continued)

### 9 Funds (continued)

#### Prior Year Funds

	As at 1 April 2021 £	Incoming resources £	Resources expended £	As at 31 March 2022 £
<b>Unrestricted income funds</b>				
General funds	2,618,435	1,632,316	(395,694)	<b>3,855,057</b>
<b>Restricted income funds</b>				
Fashion Trust Growth Grants	1,028,570	-	(183,000)	<b>845,570</b>
BA & MA Scholarships	1,021,187	120,000	(239,999)	<b>901,188</b>
BFC Vogue Fashion Fund	-	120,000	(120,000)	-
Positive Fashion	-	50,000	-	<b>50,000</b>
<b>Total charity funds</b>	<u>4,668,192</u>	<u>1,922,316</u>	<u>(938,693)</u>	<u><b>5,651,815</b></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 year ended 31 March 2023 (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.

### 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 (2022: £nil).

### The analysis of net assets between funds is as follows:

	Unrestricted funds 2023 £	Restricted funds 2023 £	As at 31 March 2023 £	As at 31 March 2022 £
Current assets	4,582,747	1,367,747	5,950,494	5,720,891
Current liabilities	-	(58,543)	(58,543)	(69,076)
<b>Total net assets</b>	<u>4,582,747</u>	<u>1,309,204</u>	<u>5,891,951</u>	<u>5,651,815</u>

### 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 year ended 31 March 2023 (continued)**

### **12 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 is a company limited by guarantee, registered in London, England, No. 02050620. The BFC's principal activity is to promote, develop and support the British Fashion Industry. The consolidated accounts of the BFC Group can be obtained from the registered address, 33 Broadwick Street, London, W1F 0DQ.

The BFC donated £400,000 to the British Fashion Council Ltd in the year. Two 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 2023 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. No trustees were paid expenses in the year.