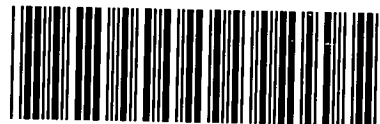


Registered number: 2050620

**BRITISH FASHION COUNCIL**  
**(a company limited by guarantee)**  
**Annual report and financial statements**  
**for the year ended 31 March 2014**

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**BRITISH FASHION COUNCIL**  
**(a company limited by guarantee)**  
**Annual report and financial statements**  
**for the year ended 31 March 2014**

<b>Contents</b>	<b>Pages</b>
Strategic report for the year ended 31 March 2014	1 - 4
Directors' report for the year ended 31 March 2014	5 - 6
Independent auditors' report to the members of British Fashion Council for the year ended 31 March 2014	7 - 8
Income and expenditure account for the year ended 31 March 2014	9
Balance sheet as at 31 March 2014	10
Cash flow statement for the year ended 31 March 2014	11
Notes to the financial statements for the year ended 31 March 2014	12 - 18

# **BRITISH FASHION COUNCIL**

## **(a company limited by guarantee)**

### **Strategic report for the year ended 31 March 2014**

The directors present their strategic report for the British Fashion Council for the year ended 31 March 2014.

#### **Principal activities**

The principal activities of the company are to encourage, promote, develop, and support the fashion industry of the United Kingdom.

#### **Review of business**

During the year the company made a surplus before taxation of £116,137 (2013: £29,320). At the balance sheet date, total assets exceeded total liabilities by £1,264,397 (2013: £1,175,487).

The international importance of London Fashion Week (LFW) continued to grow during 2013/14, with a steady increase in sponsorship secured. The exhibition element of the event at Somerset House, has been renamed Designer Show Rooms, reflecting an increasing interest in buyers placing orders at LFW.

London Fashion WeekEnd has been undergoing a re-focus to strengthen its position as an un-missable fashion day out, through the development of designer shows which complement the trend shows and a stronger edit of designers selling at the event. Attendance at the February 2014 event was one of the strongest yet.

London Collections: Men continues its meteoric rise. Having been established in June 2012, it is already established as a leading menswear event on the global calendar with top international brands Burberry, Alexander McQueen, and Tom Ford showing alongside Savile Row tailors and emerging talent in a packed schedule of over 50 shows and events.

The British Fashion Council ("BFC") has continued to develop its strategy of taking British designers abroad to help them develop their business in lucrative overseas export markets. 'LONDON show ROOMS' events for women and men in Paris each season are now well established. Additional show rooms for more established designers exploring new markets were held in Los Angeles and San Paolo. LA Style Suites were run immediately following the LA LONDON show ROOM, providing an introduction to all important stylists. The BFC has produced market reports for Japan and South Korea which explore potential new markets for British Fashion Designers and it is planned to align events with UKTI's GREAT campaign.

The British Fashion Awards, which was held in December was moved to a new venue and format at The London Coliseum, with a newly introduced International award being given to Donatella Versace, alongside British Designer of the Year, Christopher Kane.

Significant support for designers has been delivered through sponsorship and awards to support shows, showrooms and business development. This support is essential in the current economic climate and it is hoped to deliver more support through these routes and the generosity of BFC's partners each year.

# **BRITISH FASHION COUNCIL**

## **(a company limited by guarantee)**

### **Strategic report for the year ended 31 March 2014 (continued)**

#### **Key Performance Indicators**

The company measures its performance by the use of various financial and non-financial KPI's.

The measures, which in the opinion of the Directors, gives the best indication of the financial performance of the company are Total Income and the Operating Surplus for the financial year:

	<b>31 March 2014</b>	<b>31 March 2013</b>
	<b>£</b>	<b>£</b>
Total Income, including government grants	<b>12,222,714</b>	11,288,201
Surplus for the financial year before taxation	<b>116,137</b>	29,320

In respect of non-financial KPI's the Directors are now assessing the success of the company by measuring performance against its five strategic pillars which are being launched one by one at London Fashion Week. The first, Education, was formally launched in September 2013, and will seek to secure the future talent pipeline through the development of online careers resources and educational scholarships. In association with the BFC Education Foundation, the BFC awarded four MA scholarships during the year and additional funding to enable five BA scholarships to be awarded has been secured, with a view to extending this in coming years.

The Investment Pillar was launched at LFW in February 2014. As part of this pillar a major event, Fashion Forum, was delivered in June 2014, bringing together investors, innovators and designers at a full day conference. In addition, a short guide to Investment for designers was launched online at [www.designerfactfile.com/Investment](http://www.designerfactfile.com/Investment). Other pillars cover Innovation & Digital, Business Support and Reputation. These pillars will be launched in the coming months and will focus on developing BFC's key events.

#### **Principal risks and uncertainties**

The principal risks to the company's activities are economic factors which could affect the London Fashion Week events. In particular, an economic downturn could potentially impact sponsorship and marketing income and attendance at the events by designers, exhibitors and fashion buyers. To mitigate the risk of the above the company continues to benefit from a number of government grants, which contribute to expenditure incurred by the company for initiatives being sponsored and as such do not provide on-going finance for its activities.

The BFC continues to receive support from the Greater London Authority (GLA), with funding secured for 2013-16, at a slightly reducing amount over each of the 3 years. UKTI continues to support LONDON show ROOMS and the guest programmes at London Fashion Week and London Collections: Men. After a period of delayed receipt of payments due to a clarification of procurement issues, European Regional Development Fund (ERDF) support is making an important contribution to the development of London Collections: Men, LONDON show ROOMS and BFC's digital strategy.

# **BRITISH FASHION COUNCIL**

## **(a company limited by guarantee)**

### **Strategic report for the year ended 31 March 2014 (continued)**

#### **Financial risk management**

The company's operations expose it to a variety of financial risks that include liquidity risk, interest rate risk, price risk and credit risk. The responsibility for monitoring financial risk management is with the Executive Board.

#### **Liquidity risk**

The company does not have any external debt finance and cash flow is financed through the company's trading activities, commercial partners and grant income. The directors continue to ensure that the company has appropriate working capital to finance the business through careful management of cash flow requirements.

The British Fashion Council is funded by industry patrons and commercial partners. The BFC prides itself in developing long term partnerships with industry patrons and commercial partners for its events and initiatives delivering opportunities for both designers and partners alike. Commercial sponsorship revenue is received in advance of events and larger contracts are paid quarterly to ensure smooth cash flow. Grant income is received from both GLA and ERDF quarterly in arrears and steps have been taken to improve the time in which eligible expenditure is claimed. The Directors carefully manage the cost base of the company and in particular the timing and nature of expenditure incurred.

The directors are optimistic for the prospects over the coming year with a period of event stability enabling a sufficient surplus to be targeted to build the company's reserves and provide necessary working capital and protection against sponsorship fluctuations.

#### **Interest rate risk**

At the balance sheet date the company had interest-bearing assets, including bank balances. The company had no interest bearing liabilities at the year end. The directors consider that any exposure to interest rate risk is minimal.

#### **Price risk**

Part of the company's revenue is generated through the sale of exhibition space at London Fashion Week. The company balances the need to raise revenue and ensure the exhibition is commercially viable with the desire to maintain competitive pricing of this space to attract exhibitors. London Fashion Week's location at Somerset House has given the company some flexibility over the amount of exhibition space made available and will ensure the effect of price risk is mitigated by flexible operating costs.

Revenue is also generated through fees paid by designers for shows at London Fashion Week. Fee increases have been introduced to reflect inflationary cost increases. Fees at London Fashion Week remain very competitive compared to show fees charged at the other major global fashion week events.

Venues for both London Fashion Week and London Collections: Men are kept under review to ensure the company has some flexibility over the amount of show and exhibition space available to ensure the effect of price risk is mitigated by having flexible operating costs.

# **BRITISH FASHION COUNCIL**

## **(a company limited by guarantee)**

### **Strategic report for the year ended 31 March 2014 (continued)**

#### **Credit risk**

The company is subject to credit risk from trade debtors. This risk is managed by credit control procedures overseen by the executive directors and operated by the finance department.

Cash balances are held in interest bearing and non-interest bearing accounts with the company's bank. The company is therefore exposed to the credit risk of the bank. However, deposits are only made with reputable banks.

#### **Governance**

The Executive Board is responsible for the day to day management of the company. The Executive Board briefs the Advisory Board of industry representatives quarterly, on strategy and key decisions. The Advisory Board comprises BFC committee chairs, representatives from education, Industry Patrons and Corporate Partners who give freely of their time and expertise to help develop the work of the BFC. Representatives on the Advisory Board are not required to be directors of the company.



Approved by the Board of Directors and signed on behalf of the Board.

S Ward

Company Secretary

12 September 2014

# **BRITISH FASHION COUNCIL**

## **(a company limited by guarantee)**

### **Directors' report for the year ended 31 March 2014**

The directors present their annual report and the audited financial statements for the year ended 31 March 2014.

#### **Directors**

The following Directors held office during the year and up to the date of signing the financial statements unless otherwise stated:

Executive Board	N Massenet MBE - Chairman
	C Rush - Chief Executive Officer
	S Ward - Chief Operating Officer and Company Secretary
	C Inman OBE - Honorary Treasurer and Non-Executive Director
	A Hindmarch MBE - Non-Executive Director

#### **Qualifying third party indemnity provision**

A qualifying third party indemnity provision was in force for the benefit of one or more directors during the financial year and up to the date of approval of the financial statements.

**Registered Office:** Somerset House, South Wing, Strand, London, WC2R 1LA

**Registered number:** 2050620

#### **Employment policies**

The Company's employment policy determines that recruitment and promotion are determined solely by personal merit and effective performance of the job requirements and that no applicant or employee is treated less fairly than another on the grounds of disability, race, gender, age or sexual orientation. Applications for employment by disabled persons are always fully considered, bearing in mind the abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the company continues and that appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

The Directors recognise that good and effective employee communications are particularly important and it is the company's policy to promote employees understanding of the company strategy and the performance of all of its events and activities. This is achieved through regular internal briefings, during which employee participation and feedback are actively encouraged.

#### **Disclosure of information to auditors**

Each of the persons who is a director at the date of approval of this report confirms that so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and each director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

# **BRITISH FASHION COUNCIL**

## **(a company limited by guarantee)**

### **Directors' report for the year ended 31 March 2014 (continued)**

#### **Independent auditors**

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting.

#### **Review of business and future developments**

The review of business and the future developments of the British Fashion Council are outlined in the Strategic Report on pages 1 to 4.

#### **Results and dividends**

The surplus for the financial year, after taxation, amounted to £88,910 (2013: £19,456). Members' funds are not available for distribution and are carried forward to be utilised in the future activities of the company.

#### **Statement of directors' responsibilities**

The directors are responsible for preparing the Strategic Report, Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

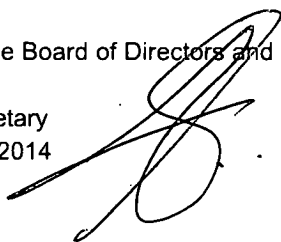
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Board of Directors and signed on behalf of the Board.

S Ward

Company Secretary

12 September 2014





# **BRITISH FASHION COUNCIL**

## **(a company limited by guarantee)**

### ***Independent auditors' report to the members of British Fashion Council***

#### **Report on the financial statements**

---

##### **Our opinion**

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the company's affairs as at 31 March 2014 and of its surplus and cash flows 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.

This opinion is to be read in the context of what we say in the remainder of this report.

---

##### **What we have audited**

The financial statements, which are prepared by British Fashion Council, comprise:

- the Balance sheet as at 31 March 2014;
- the Income and expenditure account for the year then ended;
- the Cash flow statement for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

---

##### **What an audit of financial statements involves**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Annual report and financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

---

#### **Opinion on other matter prescribed by the Companies Act 2006**

---

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**BRITISH FASHION COUNCIL**  
**(a company limited by guarantee)**

***Independent auditors' report to the members of British Fashion Council (continued)***

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**Other matters on which we are required to report by exception**

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**Adequacy of accounting records and information and explanations received**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

---

**Directors' remuneration**

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

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**Responsibilities for the financial statements and the audit**

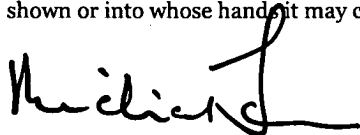
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**Our responsibilities and those of the directors**

As explained more fully in the Statement of directors' responsibilities set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.



Michael Jones (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Gatwick  
12 September 2014

**BRITISH FASHION COUNCIL**  
**(a company limited by guarantee)**

**Income and expenditure account**  
**for the year ended 31 March 2014**

	Notes	31 March 2014 £	31 March 2013 £
<b>Income, including government grants</b>			
British Fashion Awards		859,812	645,590
London Fashion Week		7,471,528	7,113,910
London Collections		1,730,723	1,285,612
London Show Rooms		922,814	776,785
Membership		545,833	566,667
Other income		692,004	899,637
		<u>12,222,714</u>	<u>11,288,201</u>
Government grants		2,291,940	1,716,200
Non-grant income		9,930,774	9,572,001
Total income		<u>12,222,714</u>	<u>11,288,201</u>
Administrative expenses		<u>(12,110,563)</u>	<u>(11,267,308)</u>
<b>Operating surplus</b>	2	112,151	20,893
Interest receivable and similar income		<u>3,986</u>	<u>8,427</u>
<b>Surplus on ordinary activities before taxation</b>		116,137	29,320
Tax on surplus on ordinary activities	5	<u>(27,227)</u>	<u>(9,864)</u>
<b>Surplus for the financial year</b>	10	<u>88,910</u>	<u>19,456</u>

The above results derive entirely from continuing operations.

The company has no recognised gains and losses other than the surplus above and therefore no separate statement of total recognised gains and losses has been presented.

There is no material difference between the surplus on ordinary activities before taxation and the surplus for the years stated above, and their historical cost equivalents.

**BRITISH FASHION COUNCIL**  
**(a company limited by guarantee)**

**Balance sheet**  
**As at 31 March 2014**

	Notes	31 March 2014 £	31 March 2013 £
<b>Fixed assets</b>			
Tangible assets	7	<u>67,551</u>	<u>64,246</u>
<b>Current assets</b>			
Debtors	8	2,618,933	2,823,444
Cash at bank and in hand		<u>713,752</u>	<u>809,205</u>
		<b>3,332,685</b>	3,632,649
Creditors: amounts falling due within one year	9	<u>(2,135,839)</u>	<u>(2,521,408)</u>
<b>Net current assets</b>		<b>1,196,846</b>	1,111,241
<b>Total assets less current liabilities</b>		<u><b>1,264,397</b></u>	<u>1,175,487</u>
<b>Members' funds</b>	10	<u><b>1,264,397</b></u>	<u>1,175,487</u>

The financial statements on pages 9 -18 were approved by the directors on 12 September 2014 and were signed on its behalf by:



N Massenet MBE  
Chairman

12 September 2014

**BRITISH FASHION COUNCIL**  
**(a company limited by guarantee)**

**Cash flow Statement**  
**for the year ended 31 March 2014**

	Notes	31 March 2014 £	31 March 2013 £
<b>Net cash outflow from operating activities</b>	6	<b>(40,228)</b>	<b>(687,909)</b>
<b>Returns on investment and servicing of finance</b>			
Interest received		3,986	8,427
<b>Net cash inflow from returns on investment and servicing of finance</b>		<b>3,986</b>	<b>8,427</b>
<b>Taxation</b>		<b>(12,369)</b>	<b>(54,333)</b>
<b>Capital expenditure and financial investment</b>			
Purchase of tangible fixed asset		(46,842)	(40,569)
<b>Net cash outflow for capital expenditure and financial investment</b>		<b>(46,842)</b>	<b>(40,569)</b>
<b>Decrease in cash</b>		<b>(95,453)</b>	<b>(774,384)</b>

# **BRITISH FASHION COUNCIL**

## **(a company limited by guarantee)**

### **Notes to the financial statements for the year ended 31 March 2014**

#### **1 Summary of significant accounting policies**

##### **Basis of preparation – going concern**

These financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies is set out below. These policies have been applied consistently throughout the year.

The forecasts and projections prepared by the directors include detailed budgets and cash flow forecasts which confirm the company has sufficient funds to enable the company 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 company's financial statements. The directors are confident that if the company does not meet its anticipated income forecasts that appropriate action can be taken to reduce the company's cost base to ensure the company can continue in operational existence. Based on the above, the directors have a reasonable expectation that the company 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.

##### **Income and expenditure account**

The company has presented an income and expenditure account since its principal activity is to encourage, promote, develop, and support the fashion industry of the United Kingdom, rather than to generate a profit for distribution to its members.

##### **Income**

Income comprises amounts contributed by members and sponsors and income generated from the events. Income relating to The British Fashion Awards, London Fashion Week, London Collections and LONDON show ROOMS is recognised at the date of the event to which it relates. Membership income is from patrons for the financial year and recognised across the period to which it relates. Other income includes one-off projects and smaller on-going activity and is recognised at the date the project is undertaken when the rights to consideration has been earned. All income is derived from UK operations.

##### **Accrued income and deferred income**

Accrued income is provided for in respect of revenues which have been earned in the current financial year but are yet to be invoiced. Income received in respect of revenues for future periods is not reflected in the income and expenditure account but treated as deferred income in creditors.

##### **Government grants**

Grants are credited to the income and expenditure statement in the period to which the related expenditure is incurred. Grant receipts are drawn down quarterly in arrears to meet expenditure as it is incurred by the company on the agreed programme of activity. In view of the magnitude of the income the directors consider it appropriate to disclose the income separate from the expenditure.

# **BRITISH FASHION COUNCIL**

**(a company limited by guarantee)**

## **Notes to the financial statements for the year ended 31 March 2014 (continued)**

### **1 Summary of significant accounting policies (continued)**

#### **Tangible fixed assets and depreciation**

Tangible fixed assets are shown at historic purchase cost less accumulated depreciation. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful economic lives. Computer hardware and software are depreciated over three years. Fixtures and fittings are depreciated over five years.

#### **Pension costs**

The company operates a defined contribution pension scheme. Contributions are only made by the employee. The company does not incur any costs in relation to the scheme.

#### **Deferred taxation**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis.

#### **Operating leases**

Operating lease costs are charged to the income and expenditure account on a straight line basis over the life of the lease.

### **2 Operating surplus**

	<b>31 March 2014</b>	<b>31 March 2013</b>
Operating surplus includes:	<b>£</b>	<b>£</b>
Depreciation of tangible fixed assets	<b>43,537</b>	37,408
Auditors' and their associates - audit fees	<b>29,819</b>	25,000
- non-audit fees - other tax services	<b>4,150</b>	24,209
- non-audit fees – grant reporting	<b>2,282</b>	-
Operating lease costs – other than plant and machinery	<b>148,437</b>	133,131

**BRITISH FASHION COUNCIL**  
**(a company limited by guarantee)**

**Notes to the financial statements**  
**for the year ended 31 March 2014 (continued)**

**3 Employees**

The average number of people employed by the company during the year, including directors on a service contract, was 47 (2013: 38). Total staff costs for the year were £1,829,657 (2013: £1,570,249) comprising:

	<b>31 March 2014</b>	<b>31 March 2013</b>
	<b>£</b>	<b>£</b>
Wages and salaries	<b>1,651,228</b>	1,419,584
Social security costs	<b>178,429</b>	150,665
Total employee costs	<b><u>1,829,657</u></b>	<u>1,570,249</u>

	<b>31 March 2014</b>	<b>31 March 2013</b>
Number of employees:		
Administration	<b><u>47</u></b>	<u>38</u>

**4 Directors emoluments**

Two directors received remuneration in respect of their services for the year (2013: 2). C Rush, Chief Executive Officer received £169,638 (2013: £163,016). S Ward, Chief Operating Officer received £113,250 (2013: £119,546).

	<b>31 March 2014</b>	<b>31 March 2013</b>
	<b>£</b>	<b>£</b>
Aggregate emoluments	<b><u>282,888</u></b>	<u>282,562</u>

**5 Tax on surplus on ordinary activities**

	<b>31 March 2014</b>	<b>31 March 2013</b>
	<b>£</b>	<b>£</b>
<b>Current tax:</b>		
UK corporation tax on surplus for the year	<b><u>26,515</u></b>	<u>9,170</u>
<b>Total current tax</b>	<b><u>26,515</u></b>	<u>9,170</u>



**BRITISH FASHION COUNCIL**  
**(a company limited by guarantee)**

**Notes to the financial statements**  
**for the year ended 31 March 2014 (continued)**

**5 Tax on surplus on ordinary activities**  
**(continued)**

	<b>31 March 2014</b>	<b>31 March 2013</b>
	<b>£</b>	<b>£</b>
<b>Deferred tax:</b>		
Origination and reversal of timing differences	712	694
<b>Total deferred tax</b>	<b>712</b>	<b>694</b>
<b>Tax on surplus on ordinary activities</b>	<b><u>27,227</u></b>	<b><u>9,864</u></b>

**Factors affecting current tax charge for the year**

The current tax charge for the year is £26,515 (2013: £9,170) which is higher (2013: higher) than the standard rate of corporation tax in the UK. The differences are explained below:

	<b>31 March 2014</b>	<b>31 March 2013</b>
	<b>£</b>	<b>£</b>
Surplus on ordinary activities before tax	<u>116,137</u>	<u>29,320</u>
Surplus on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2013: 20%)	23,227	5,864
Effects of:		
Accelerated capital allowances	(712)	(694)
Non-deductible expenses	4,000	4,000
<b>Current tax charge for the year</b>	<b><u>26,515</u></b>	<b><u>9,170</u></b>

The deferred tax liability is comprised as follows:

	<b>31 March 2014</b>	<b>31 March 2013</b>
	<b>£</b>	<b>£</b>
Accelerated capital allowances	13,279	12,567
<b>Total deferred tax</b>	<b><u>13,279</u></b>	<b><u>12,567</u></b>
At 1 April 2013	12,567	
Deferred tax charge in profit and loss account	<u>712</u>	
<b>At 31 March 2014</b>	<b><u>13,279</u></b>	

**BRITISH FASHION COUNCIL**  
**(a company limited by guarantee)**

**Notes to the financial statements**  
**for the year ended 31 March 2014 (continued)**

**6 Reconciliation of surplus for the year to net cash flow from operating activities**

	<b>31 March 2014</b>	<b>31 March 2013</b>
	<b>£</b>	<b>£</b>
Surplus for the year	<b>112,151</b>	20,893
Depreciation	<b>43,537</b>	37,408
Decrease/(increase) in debtors	<b>204,511</b>	(955,528)
(Decrease)/increase in creditors	<b>(400,427)</b>	209,318
<b>Net cash outflow from operating activity</b>	<b><u>(40,228)</u></b>	<b><u>(687,909)</u></b>

**7 Tangible fixed assets**

	<b>Computer hardware and software</b>	<b>Fixtures and fittings</b>	<b>Total tangible fixed assets</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>			
At 1 April 2013	123,175	13,817	136,992
Additions	31,283	15,559	46,842
<b>At 31 March 2014</b>	<b><u>154,458</u></b>	<b><u>29,376</u></b>	<b><u>183,834</u></b>
<b>Accumulated depreciation</b>			
At 1 April 2013	66,566	6,180	72,746
Charge for the year	38,771	4,766	43,537
<b>At 31 March 2014</b>	<b><u>105,337</u></b>	<b><u>10,946</u></b>	<b><u>116,283</u></b>
<b>Net book value</b>			
<b>At 31 March 2014</b>	<b><u>49,121</u></b>	<b><u>18,430</u></b>	<b><u>67,551</u></b>
At 31 March 2013	<u>56,609</u>	<u>7,637</u>	<u>64,246</u>

**BRITISH FASHION COUNCIL**  
**(a company limited by guarantee)**

**Notes to the financial statements**  
**for the year ended 31 March 2014 (continued)**

**8 Debtors**

	<b>31 March 2014</b>	<b>31 March 2013</b>
	<b>£</b>	<b>£</b>
Trade debtors	<b>777,444</b>	1,133,020
Other debtors	<b>235,600</b>	180,758
Prepayments and accrued income	<b>1,605,889</b>	1,509,666
	<b><u>2,618,933</u></b>	<b><u>2,823,444</u></b>

Government grant income of £845,000 is included within prepayments and accrued income (2013: £714,000).

**9 Creditors; amounts falling due within one year**

	<b>31 March 2014</b>	<b>31 March 2013</b>
	<b>£</b>	<b>£</b>
Trade creditors	<b>937,180</b>	1,012,619
Corporation tax	<b>15,331</b>	1,185
Deferred tax	<b>13,279</b>	12,567
Other creditors including tax and social security	<b>52,366</b>	38,485
Accruals and deferred income	<b>1,117,683</b>	1,456,552
	<b><u>2,135,839</u></b>	<b><u>2,521,408</u></b>

There is no government grant income included within the deferred income (2013: £Nil).

**10 Reconciliation of movement in members' funds**

	<b>31 March 2014</b>	<b>31 March 2013</b>
	<b>£</b>	<b>£</b>
Opening members' funds	<b>1,175,487</b>	1,156,031
Surplus for the financial year	<b>88,910</b>	19,456
Closing members' funds	<b><u>1,264,397</u></b>	<b><u>1,175,487</u></b>

# BRITISH FASHION COUNCIL

(a company limited by guarantee)

## Notes to the financial statements for the year ended 31 March 2014 (continued)

### 11 Analysis of movement in net debt

	Balance at 1 April 2013	Movement in the year	Balance at 31 March 2014
	£	£	£
Cash at bank and in hand	809,205	(95,453)	713,752
<b>Total</b>	<b>809,205</b>	<b>(95,453)</b>	<b>713,752</b>

### Reconciliation of net cash flow to movement in net funds

	31 March 2014 £	31 March 2013 £
Decrease in cash in the year	-95,453	-774,384
Change in net funds	-95,453	-774,384
Net funds at 1 April	809,205	1,583,589
Net funds at 31 March	713,752	809,205

### 12 Limit of liability

The liability of the members is limited by guarantee to £1 each (2013: £1 each).

### 13 Lease commitments

At the year end the company had the following annual commitments in respect of operating leases expiring:

		31 March 2014 £	31 March 2013 £
Within one year	Land and buildings	8,160	-
Within one to two years	Land and buildings	131,500	-
Two to five years	Land and buildings	-	121,446
<b>Total lease commitments</b>		<b>139,660</b>	<b>121,446</b>

### 14 Ultimate controlling party

In the opinion of the directors there is no ultimate controlling party of the company.

**BRITISH FASHION COUNCIL**  
**(a company limited by guarantee)**

**NOT FOR PUBLICATION**  
**NOT SUBJECT TO AUDIT**

**Detailed income and expenditure account**  
**for the year ended 31 March 2014**

	Year ended 31 March 2014 £	Year ended 31 March 2013 £
<b>Income</b>		
London Fashion Week	7,471,528	7,113,910
London Collections	1,730,723	1,285,612
London Show Rooms	922,814	776,785
British Fashion Awards	859,812	645,590
Membership	545,833	566,667
Other Income	692,004	899,637
	<u>12,222,714</u>	<u>11,288,201</u>
<b>Administrative expenses</b>		
London Fashion Week	5,729,392	5,156,642
London Collections	1,518,868	1,204,066
London Show Rooms	1,020,424	717,181
British Fashion Awards	866,498	580,694
Projects	416,863	1,437,194
Staff Costs	1,829,657	1,570,249
Occupancy Costs	148,437	174,727
Depreciation	43,536	37,408
PR	61,335	78,208
Professional fees	103,199	75,487
Charitable Donation	20,000	20,000
Miscellaneous	356,618	218,463
Bad debts written off/(written back)	(4,264)	(3,011)
	<u>12,110,563</u>	<u>11,267,308</u>
Total administrative expenses		
	<u>12,110,563</u>	<u>11,267,308</u>
<b>Operating Surplus</b>	112,151	20,893
Interest receivable and similar income	3,986	8,427
<b>Surplus before taxation</b>	116,137	(9,864)
Tax charge on surplus	(27,227)	19,456
<b>Surplus for the year</b>	<u>88,910</u>	<u>19,456</u>