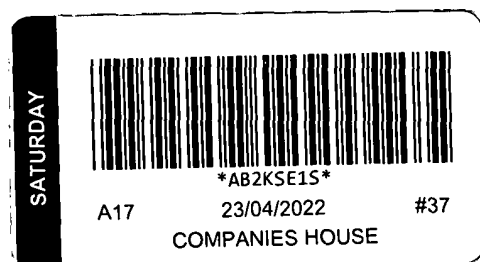


FASHION AND RETAIL AWARDS Limited

Annual report and Financial Statements For the year ended 31 July 2021



Fashion and Retail Awards Limited, a company limited, registered in England and Wales
Registered no: 6793904

Registered office: 15 Gresse Street, London W1T 1QL



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KEY MANAGEMENT PERSONNEL, BOARD OF DIRECTORS AND PROFESSIONAL ADVISERS

Directors:

Professor Elizabeth Mary Rouse OBE (Chair)	– Appointed 1 October 2020
Belinda Jane Earl	– Appointed 1 October 2020
Fiona Marie Gaughan	– Appointed 1 October 2020
Dr Tina Beth Isaacs	– Appointed 1 October 2020
Katrina Lesley Nurse	– Appointed 1 October 2020
Lee Anthony Lucas	– Resigned 1 October 2020
Kim Longman	– Resigned 1 October 2020

Company Secretary:

Mr G Cooper acted as Clerk to the Company throughout the year.

Managing Director

Christian Amadeo

Professional advisers

Financial statements independent auditors and reporting accountants:

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

Internal auditors:

MHA MacIntyre Hudson
30-34 New Bridge Street
London EC4V 6BJ

Bankers:

HSBC
2nd floor, 16 King Street,
Covent Garden

Solicitors:

Bates Wells Braithwaite
10 Queen Street Place
London EC4R 1BE



Directors' report for the year ended 31 July 2021

The directors have pleasure in presenting their report and the audited financial statements for the year ended 31 July 2021.

In April 2021 this entity previously named *FRA Enterprises Limited* was renamed *Fashion & Retail Awards Limited*; to reflect its change in activities ongoing.

Organisational status, mission and governance structure

Fashion and Retail Awards is an independent subsidiary of the Fashion Retail Academy (FRA). It shares the FRA's mission, charitable objects, core services and business cycle, and directs all proceeds to the charity.

In all other respects Fashion and Retail Awards is an independently governed and operated organisation that has been set-up with the autonomy and resources necessary for the delivery of an objective assessment service. This setup is assured through oversight of a board with a majority of independent directors, strong processes for managing conflicts of interest and a set of inter-organisational legal mechanisms that explicitly limit the reach of the parent company while directing investment income in line with its charitable objects.

Operating environment

The Covid-19 pandemic has been an unprecedented shock to the economy and created high levels of uncertainty. What we know for sure is that there has been a substantial depression of the economy and employment over the course of the pandemic, particularly in front-of-house roles, and an acceleration of long-established trends in the structure of the retail industry. The educational landscape has shifted in a similarly sharp manner, requiring rapid migration to digital delivery modes and no slowing in the pace of reform of the further education system.

Key factors of this operating environment are summarised below:

Retail industry. Consumer spending on everything but groceries declined sharply after the first lockdown. However, GDP for wholesale and retail overall fared better than most other sectors. The most marked change was the increase in e-commerce, with several years' worth of channel shift seen over the course of several months. Pureplay and multi-brand businesses were rewarded during the crises. Conversely, brands with large physical estates and weak online presences suffered; many of the most vulnerable have been pushed into insolvency. Workforce allocation has mirrored these trends with an expectation of headcount growth in head office, distribution and fulfilment roles and a marked decline in store. The nature of work outside of the front line is expected to undergo a lasting shift as remote working has become a proven option. The implications of these changes mean that we have had to develop remote delivery methods and will shift our end-point assessment development priorities.

Educational landscape. The education landscape has seen equal amounts of turbulence. Educational institutions across the boards have been forced to adapt to online delivery while a raft of reforms, white papers and primary legislation have been put in motion. A wholesale shift in approach to the regulation of end-point assessment has started to gain traction, all national oversight moving to Ofqual through a staggered approach. The recent FE White paper highlighted that further education and apprenticeships remain a government priority.

End-point assessment market. The end-point assessment market is intimately related to the apprenticeship market. While showing strong signs of growth prior to the pandemic, amidst a planned transition to standards-based apprenticeships, the onset of Covid-19 collapsed uptake in some areas. This has already had the effect of pushing several competitors out of the market. The impact of the economic shock, and retrenchment of apprenticeship starts for front-of-house occupations, will be felt in the end-point assessment market for some time. On the flip side there are signs that industry specialist end-point assessment will be increasingly valued by regulators and employers.

Directors' report for the year ended 31 July 2021 (continued)

Strategic management

A 3-year strategic plan is in place and clarifies the mission and aims for this period. The mission statement of Fashion and Retail Awards is **"To promote and raise the standards of talent for the retail industry"**.

The aims of the organisation relate to, and go beyond, end-points assessment and are to:

- Be the end-point assessment provider of choice for the fashion and retail industries
- Deliver best-in-class assessment while enhancing standards
- Use our insights to drive tangible improvement in training and talent development.

In order to achieve this, we have put in place operational plans focusing on: building core capacity and capabilities; enhancing effective systems, controls and oversight; and growing and diversifying our service offering.

In the early phases of development priority has been given to establishing systems and processes underpinning the development of organisational capabilities (including regulatory compliance), market insight and engagement and the management of strategic and operational risk. A risk management policy is in place that details how risk is identified, documented, assessed and treated across all areas of the business. The strategic risk register is reviewed at each meeting of the board of directors.

This foundation will support the successful navigation of the current operating context.

Financial results

The 2020/21 year ending July 31st was the first full year in which the organisation held regulatory permission to deliver end-point assessment. Income of £22,236 was received in the year, offset by expenditure of £96,647, resulting in a loss of £74,411. Operations were supported by the parent entity, Fashion Retail Academy through intercompany financial support. The Fashion Retail Academy has indicated it will make available a grant of up to £300,000 for working capital purposes going forward. A grant agreement was signed in October 2021.

Directors' indemnity

The company purchased and maintained throughout the financial year a director's liability insurance in respect of itself and its directors.

Directors' interests

The directors and their families had no beneficial interest in the company at 31 July 2021 (2020: nil). No director had, during or at the end of the year, a material interest in any contract that was significant to the company's business.



Directors' report for the year ended 31 July 2021 (continued)

Going concern

The pandemic has thrown up a number of challenges in terms of increasing the uncertainty of, and depressing, the markets in which Fashion and Retail Awards operates. External risks to the financial sustainability of operations have been considered. There are emerging signs that mitigating strategies in place are gaining traction and that pressures from the external operating environment will ease in the medium term. Early focus has ensured that the internal processes and systems are in place to monitor progress of the business and to adapt to changes to the operating environment in this context.

Resources to meet early operational expenditure have been provided through intercompany financing from the parent company. Fashion and Retail Awards posted a loss, within expected parameters, for its first full year of operation with regulatory permission to deliver end-point assessment. The Fashion Retail Academy has indicated it will make available a grant of £300,000 for working capital purposes going forward. A grant agreement was signed in October 2021. There is sufficient carry forward within this grant facility to reach financial independence on current projections. However, it is clear that building external business will remain an organisational priority for the near and medium term. All options to accelerate growth in the near term are being considered.

On this basis directors are confident that Fashion and Retail Awards has access to sufficient funding to meet all its commitments and is considered a going concern.

Directors' report for the year ended 31 July 2021 (continued)

Statement of the Directors' Responsibilities

The directors are responsible for preparing the Annual report and the financial statements in accordance with applicable law and regulation.

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, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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.

The directors 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.

Provision of information to auditors

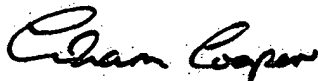
So far as each member of the Board is aware, there is no relevant audit information of which the Company's auditors are unaware and each member has taken all the steps that he/she ought to have taken as a member in order to make him/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Independent Auditors

The auditors, Crowe U.K. LLP, have been re-appointed as the auditors for Fashion and Retail Awards.

This report has been prepared in accordance with the special provisions relating to small companies within part 15 of the Companies Act 2006.

By order of the Board



Graham Cooper
Company Secretary
16 March 2022



Independent Auditor's report to the members of Fashion and Retail Awards Limited

Opinion

We have audited the financial statements of Fashion and Retail Awards Limited for the year ended 31 July 2021 which comprise the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Financial Position and notes to the financial statements, including a summary of 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 company's affairs as at 31 July 2021 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 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 director'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 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 directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors 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 Auditor's report to the members of Fashion and Retail Awards Limited (continued)

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.

Opinion on other matter 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors 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 directors report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors 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 directors 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 directors are responsible for assessing the 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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that

Independent Auditor's report to the members of Fashion and Retail Awards Limited (continued)

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

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

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

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

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

We obtained an understanding of the legal and regulatory frameworks within which the 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 and financial reporting standards. 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 company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the company for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection Regulation (GDPR).

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors 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 recognition of income and the 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, testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence, and reading minutes of meetings of those charged with governance.

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.



**Independent Auditor's report to the members of Fashion and Retail Awards Limited
(continued)**

Use of our report

This report is made solely to the 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 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

A handwritten signature in dark ink, appearing to read 'JPoulter'.

Julia Poulter
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
London
Date: 21 April 2022

Statement of Comprehensive Income

For the year ended 31 July 2021

		Year ended 31 July 2021	Year ended 31 July 2020
	Note	£	£
Income			
Trading income	2	22,236	-
Total income		<u>22,236</u>	<u>-</u>
Expenditure			
Staff costs	4	87,076	-
Other operating expenses		<u>9,571</u>	<u>-</u>
Total expenditure		<u>96,647</u>	<u>-</u>
Profit / (Loss) on Ordinary Activities before Taxation		(74,411)	-
Taxation		-	-
Loss for the year	5	<u>(74,411)</u>	<u>-</u>
Total comprehensive Losses for the year			
Unrestricted comprehensive Losses		<u>(74,411)</u>	<u>-</u>
		<u>(74,411)</u>	<u>-</u>

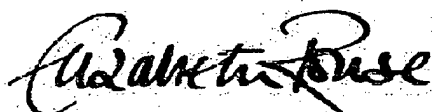
Statement of Changes in Equity for the year ended 31 July 2021

	Profit and Loss account £	Share Capital £	Total Shareholders' Funds £
Balance at 1 August 2019	-	1	1
Total comprehensive income for the year	-	-	-
Balance at 31 July 2020	-	1	1
Total comprehensive income for the year	(74,411)	-	(74,411)
Balance at 31 July 2021	(74,411)	1	(74,410)

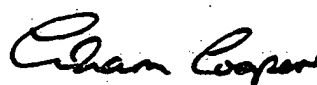
Balance Sheet as at 31 July 2021

	Note	2021 £	2020 £
CURRENT ASSETS			
Cash at bank and in hand		26,674	14,017
		<u>26,674</u>	<u>14,017</u>
CREDITORS: Amounts falling due within one year		-	(14,016)
		<u>26,674</u>	<u>1</u>
NET CURRENT ASSETS			
		26,674	1
CREDITORS: Amounts falling due after more than one year	6	(101,084)	-
		<u>(74,410)</u>	<u>1</u>
NET ASSETS			
		<u>(74,410)</u>	<u>1</u>
CAPITAL AND RESERVES			
Share capital		1	1
Profit and loss account		(74,411)	-
		<u>(74,410)</u>	<u>1</u>
TOTAL SHAREHOLDERS' FUNDS	7	<u>(74,410)</u>	<u>1</u>

The Financial Statements on pages 12 to 17 were prepared in accordance with small companies regime, and approved by the Board of Directors on 16th March 2022 and signed on their behalf by



Professor Elizabeth Mary Rouse OBE
Chair



Graham Cooper
Company Secretary

Fashion & Retail Awards Limited, a private company limited by share, registered in England and Wales.
Registered Number: 6793904



Notes to the Financial Statements for the year ended 31 July 2021

1. Accounting Policies

Fashion and Retail Awards Limited is a limited company incorporated and registered in England and Wales under the Companies Act 2006. It is a private company limited by shares. Its parent and ultimate holding company is Fashion Retail Academy, incorporated in England and Wales. The address of the registered office and principal place of business is 15 Gresse Street, London W1T 1QL.

These financial statements are presented in Pounds Sterling being the Company's functional and presentational currency.

Basis of Accounting

The company is a wholly controlled subsidiary of Fashion Retail Academy and is included in the consolidated financial statements of Fashion Retail Academy.

The financial statements of the company are prepared under the historical cost convention and in accordance with UK Generally Accepted Accounting Principles (UK GAAP), FRS102 and Companies Act 2006.

The accounting policies have been applied consistently and there has been no prior period re-statement required.

These financial statements have been prepared on a going concern basis.

General information

Exemptions for qualifying under FRS102

As a qualifying entity, the company has taken advantage of the following exemptions:

- i) from the requirement to prepare a statement of cash flows as required by paragraph 3.17(d) of FRS 102;
- ii) from the requirement to present certain financial instrument disclosures, as required by sections 11 and 12 of FRS 102;
- iii) from the requirement to present a reconciliation of the number of shares outstanding at the beginning and end of the period as required by paragraph 4.12(a)(iv) of FRS 102; and
- iv) from the requirement to disclose the key management personnel compensation in total as required by paragraph 33.7 of FRS 102.
- v) from the requirement to present a strategic report.

Turnover

Turnover represents the amounts derived from the provision of goods and services to customers during the year. Revenue is recognised in the appropriate period in which the activity took place.

Critical accounting estimates and judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, revenue and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are reasonable under the circumstances.

Notes to the Financial Statements for the year ended 31 July 2020 (continued)

1. Accounting Policies (continued)

Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There are no judgements and estimates that have a significant effect on amounts recognised in the financial statements.

2. Trading Income	2021	2020
	£	£
EPA Services (through FRA)	<u>22,236</u>	-

All revenue is generated in the UK.

3. Remuneration of Directors

The directors receive no remuneration from Fashion and Retail Awards Limited, all costs are borne by Fashion Retail Academy (2019/20: Nil).

4. Employees

The Company has 2 employees (1.9 FTE) (2019/20: none). Any employee related costs, and directors emoluments are borne by the parent company and recharged to FARA.

5. Profit and Loss Account

	2021	2020
	£	£
At the beginning of the year	-	-
Result for the financial year	(74,411)	-
At the end of the year	<u>(74,411)</u>	-

Audit fees are borne by the parent company.

Notes to the Financial Statements for the year ended 31 July 2021 (continued)

6. Creditors: amounts falling due after one year

	2021 £	2020 £
Amounts owed to group undertakings	101,084	-
	101,084	-

7. Reconciliation of Movements in Total Shareholders' Funds

	2021 £	2020 £
Result after taxation	(74,411)	-
Opening shareholders' funds	1	1
Closing shareholders' funds	(74,410)	1

8. Parent Undertaking

The company is a wholly owned subsidiary of the Fashion Retail Academy, which is the controlling party. Fashion Retail Academy is the parent undertaking of the largest group of undertakings to consolidate these financial statements at 31 July 2021. The consolidated financial statements of Fashion Retail Academy are available from 15 Gresse St, Fitzrovia, London W1T 1QL.

9. Related Party disclosures

As the company is a wholly owned subsidiary of Fashion Retail Academy the Company has applied the exemptions permitted under FRS102 and has not disclosed transactions entered into with wholly owned subsidiary undertakings. There are no other related party transactions.

10. Post Balance Sheet Event

On 5th October 2021 a grant agreement was entered into between the company and its parent, the Fashion Retail Academy whereby the Fashion Retail Academy will make a grant of £300,000 available to the company. This will settle the advance financing of £74,410 (adjusted to exclude the cash balance owed to the parent in addition to the total committed grant of £300,000) showing as an intercompany balance at the year end and the remaining £225,590 will be available to support future operations.