



FASHION AND RETAIL AWARDS Limited

Annual report and Financial Statements For the year ended 31 July 2023



Fashion and Retail Awards Limited, a company limited by shares, 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)

Fiona Marie Gaughan

Dr Tina Beth Isaacs Resigned 30 June 2023

Katrina Lesley Nurse

Pauline Ann Tambling CBE 7 July 2022 until 1 December 2023

Company Secretary:

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

Responsible Officer

Christian Amadeo

Professional advisers

Financial statements independent auditors and reporting accountants:

Crowe U.K. LLP

55 Ludgate Hill
London
EC4M 7JW

Internal auditors:

MHA (End date 22 October 2023)
2 London Wall Place,
London EC2Y 5AU

Buzzacott LLP (Start date 23 October 2023)
130 Wood Street,
London EC2V 6DL

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 2023

The directors have pleasure in presenting their report and the audited financial statements for the year ended 31 July 2023.

Organisational status, mission and governance structure

Fashion & 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 & 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 whilst directing investment income in line with its charitable objects.

Operating environment

Fashion & Retail Awards operates at the intersection of the retail industry and the further education sector, both of which face a distinct set of challenges in their operating environment. The retail industry has in the past and continues to confront inflationary conditions. Widespread shortfalls and continued demand for skilled labour has increased the prominence of further education and apprenticeships in political rhetoric, but recent political events have shown that fiscal discipline and constrained public spending are likely to characterise the government's approach in the near term.

Whilst End Point Assessment volumes within FARA continue to be disappointing, with the financials for the current year reflecting that, there are a number of key achievements to pay credence to:

- New training provider contracts secured creating a pipeline for business activities.
- OFQUAL approval. This should not be underestimated for its significance or the challenging rigor. Many End-Point Assessment Organisations (EPAOs), and aspiring EPAOs, have failed to achieve this or have deemed it to be too arduous to obtain.
- The strategic value to the parent company, FRA, and the springboard that this could provide in the future (especially with an Awarding Body) is significant and cannot be overstated.

The current business plan is to develop 11 standards to extend the portfolio and secure EPA pipelines.

The end-point assessment market continues to be intimately linked to the apprenticeship market. Nationally, starts on standards-based apprenticeships has continued to grow. Within the context of a smaller market, several competing assessment organisations have exited. The net effect of this – i.e., a smaller market with a better competitive outlook, means opportunities still exist for our specialist offer in terms of both quality and relevance of assessment, and the nature of support we offer to delivery teams. We have also demonstrated that we can secure additional business in these adverse conditions and continue to grow our pipeline of assessment activity. Our understanding of the market will also guide our next steps in terms of extending the range of assessment we offer as we gear up to assess a balance of retail-specialist and general standards of value and utility to the retail industry.

Strategic management

We have focused on building core capacity and capability, establishing and enhancing our systems, controls and oversight arrangements and growing our service offerings with notable progress on all fronts. Our External Quality Assurance agency has historically conducted audits on our EPA delivery and Ofqual has also completed an in-depth review of a sample of EPA which have been good and reflect that our assessments are delivered to high standards.

In the early phases of development, priority has been given to establishing systems and processes

Directors' report for the year ended 31 July 2023 (continued)

underpinning the development of organisational capabilities (including regulatory compliance), market insight and engagement and the management of strategic and operational risk.

Our approach to risk management is well established and has been enhanced to encompass all aspects of regulatory compliance associated with Ofqual oversight. Strategic risk, conflicts of interests and incidents related to regulatory compliance are routinely monitored by the Board of Directors.

This foundation will support the successful navigation of the current operating context as we focus on achieving growth over the next period.

Financial results

The 2022/23 year ending July 31st is the third year in which the organisation has had regulatory permission to deliver end-point assessment. Trading income of £44,675 was received in the year (2021/22: £74,702), offset by expenditure of £129,504, resulting in a trading loss of (£84,829) (2021/22: Loss (£16,698)). Trading income for the year of £44,675 is lower than the previous year of £74,702 (£49,702 when adjusting for one-off Higher Technical Education (HTE) provider growth funds of £25k).

Operations were supported by the parent entity, Fashion Retail Academy, through a grant of up to £300,000 for working capital purposes. £175,938 (2021/22: £91,109) of this grant has been utilised to date.

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 2023 (2021/22: 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.

Going concern

The cost-of-living crisis followed the pandemic and extended the period of uncertainty and contributing to the ongoing depression of the markets in which Fashion & Retail Awards operates. Early focus and sustained effort have ensured that the capacity and capability for high quality assessment is in place. This has ensured a high standard of assessment has been delivered. External risks to the financial sustainability of operations have been considered and are subject to ongoing monitoring and scrutiny.

Resources to meet operational expenditure are provided for through a working capital grant from the parent company of £300,000. Fashion and Retail Awards posted a loss during the year to 31st July 2023 of £84,829 (2021/22: loss of £16,698). Additional resources have been budgeted in 2023/24, one Delivery Coordinator and one Head of Team role, with the coordinator role in post at the end of October 2023. This is to ensure that FARA is able to speed up the development of further standards which is essential for growth.

In addition, one additional standard, Level 3 Business Administration, has been approved for assessment, currently being delivered by the FRA which previously FARA does not assess. The FRA launched a range of new Apprenticeships from September 2023. Over the next 5 years all FRA Apprenticeships are forecast to grow which will benefit FARA. It is also envisaged that sufficient carry forward of the initial grant will remain to reach financial independence on current projections. Extension of the grant period was approved in the November FRA Board with an open-ended date.

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.

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

Date: 11th December 2023

Independent Auditor's Report to the Directors of Fashion and Retail Awards Limited

Opinion

We have audited the financial statements of Fashion and Retail Awards Limited for the year ended 31st July 2023 which comprise the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Financial Position 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 company's affairs as at 31st July 2023 and of its loss 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 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.

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.

Independent Auditor's Report to the Directors of Fashion and Retail Awards Limited (continued)

Opinion 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 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 set out on page 1, 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 includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks within which the company and group operates, focusing on those laws and regulations that have a direct effect on the determination

Independent Auditor's Report to the Directors of Fashion and Retail Awards Limited (continued)

of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 and relevant Taxation legislation.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management and revenue recognition. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals and reviewing accounting estimates for biases. Our audit procedures to respond to revenue recognition risks included testing a sample of revenue across the year to agree to supporting documentation and testing revenue cut-off to ensure that it has been recognised in the correct period.

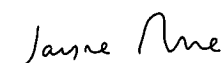
Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

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.

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 black ink, appearing to read 'Jayne Rowe'.

Jayne Rowe (Partner)
for and on behalf of
Crowe U.K. LLP
Statutory Auditor

55 Ludgate Hill
London
EC4M 7JW

Date: 18th December 2023

Statement of Comprehensive Income

For the year ended 31 July 2023

		Year ended 31 July 2023	Year ended 31 July 2022
	Note		
Income		£	£
Trading income	2	44,675	74,702
Grant income	3	84,829	91,109
Total income		129,504	165,811
Expenditure			
Staff costs	5	70,767	68,192
Other operating expenses		58,737	23,208
Total expenditure		129,504	91,400
Profit on Ordinary Activities before Tax		-	74,411
Taxation		-	-
Profit for the year	6	-	74,411
Total comprehensive Profit for the year			
Unrestricted comprehensive Profit		-	74,411
		-	74,411

Statement of Changes in Equity for the year ended 31 July 2023

	Profit and Loss account	Share Capital	Total Shareholders ' Funds
	£	£	£
Balance at 1 August 2021	(74,411)	1	(74,410)
Total comprehensive income for the year	74,411	-	74,411
Balance at 31 July 2022	-	1	1
Total comprehensive income for the year	-	-	-
Balance at 31 July 2023	-	1	1

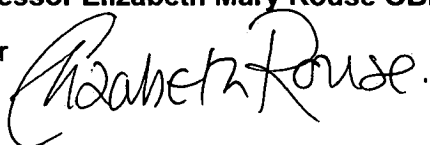
Balance Sheet as at 31 July 2023

	Note	2023	2022
		£	£
CURRENT ASSETS			
Cash at bank and in hand		115,438	36,568
		<u>115,438</u>	<u>36,568</u>
CREDITORS: Amounts falling due within one year		-	-
		<u>115,438</u>	<u>36,568</u>
NET CURRENT ASSETS			
		<u>115,438</u>	<u>36,568</u>
CREDITORS: Amounts falling due after more than one year	6	<u>(115,437)</u>	<u>(36,567)</u>
NET ASSETS		<u>1</u>	<u>1</u>
		<u>1</u>	<u>1</u>
CAPITAL AND RESERVES			
Share capital		1	1
Profit and loss account		-	-
TOTAL SHAREHOLDERS' FUNDS	7	<u>1</u>	<u>1</u>
		<u>1</u>	<u>1</u>

The Financial Statements on pages 10 to 12 were prepared in accordance with small companies regime, and approved and authorised for issue by the Board of Directors on 11 December 2023 and signed on their behalf by:

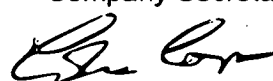
Professor Elizabeth Mary Rouse OBE

Chair



Graham Cooper

Company Secretary



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

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 Section 1A 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

In the preparation of the financial statements management consider there to be no significant judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, revenue and expenses.

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 2023 (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	2023	2022
	£	£
EPA Services	44,675	49,702
HTE Provider Growth Fund (through FRA)	-	25,000
	44,675	74,702

All revenue is generated in the UK.

3. Grant income

Grant of £300,000 received from the parent company under the working capital agreement dated 5 October 2021. This was increased to £350,000 on 29 November 2023.

4. Remuneration of Directors

The directors receive no remuneration from Fashion and Retail Awards Limited, all costs are borne by Fashion Retail Academy (2021/22: Nil).

5. Employees

The Company has 2 employees (1.1 FTE) (2021/22: 1.1). Any employee related costs, and directors' emoluments are borne by the parent company and recharged to FARA.

**Notes to the Financial Statements for the year
ended 31 July 2023 (continued)**

6. Profit and Loss Account

	2023	2022
	£	£
At the beginning of the year	-	(74,411)
Result for the financial year	-	74,411
At the end of the year	-	-

Audit fees are borne by the parent company.

7. Creditors: amounts falling due after one year

	2023	2022
	£	£
Amounts owed to group undertakings	115,437	36,567
	115,437	36,567

8. Reconciliation of Movements in Total Shareholders' Funds

	2023	2022
	£	£
Result after taxation	-	74,411
Opening shareholders' funds	1	(74,410)
Closing shareholders' funds	1	1

**Notes to the Financial Statements for the year ended
31 July 2023 (continued)**

9. 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 consolidating these financial statements at 31 July 2023. The consolidated financial statements of Fashion Retail Academy are available from 15 Gresse St, London W1T 1QL.

10. 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.