



Nigel Lugg, Chairman, UKFT
12 May 2016

UKFT Annual General Meeting Chairman's Address

Having now been Chairman of UKFT for a year and, before that, Deputy Chairman for the previous 4 years, my tenure has seen significant change and the past 12 months has been a particularly active period for the UK Fashion & Textile Association.

Originally, the task of the Board was to put the organisation in a financially secure position and I am delighted to say that with the reconfiguration of 3 Queen Square this has now been achieved.

I am grateful to my fellow Board members, both existing and past, who have moved the Association forward and continue to ensure we forge ahead with new plans. My special thanks go to Stewart McGuffie for his excellent work as treasurer and for his guidance to me throughout the year.

In January we appointed Adam Mansell as our new CEO and I know Adam is very keen to build on our existing legacy and take the organisation to the next level. I have watched Adam grow in confidence as he has taken on this new role and believe he ensures the organisation continues to prosper and deserve its position as the voice of the industry. I am sure you will all support him in all his endeavours. I am so much indebted to John Miln who retired at the end of 2015 after five years as CEO. John provided wise counsel, leadership and delivered the change UKFT needed and I wish him well in his retirement. He took over the organisation at a time when

change was needed and delivered some outstanding results during his tenure.

I should like to take this opportunity to highlight a few key areas of the UKFT's current and future activity...

Thanks to the revaluation of Queen square the 2015 Accounts show the organisation recording a significant surplus. However on a cash basis UKFT moved significantly closer to a breakeven position and the budget for this year is based on the organisation making a small cash profit. This is a sea change in UKFT's finances which in the not too distant past saw us recording significant losses.

At the start of 2016 we reorganised the space here at 3 Queen Square, renewed the lease with a major tenant and secured a new tenant, all of which will result in a significant increase in the money UKFT earns from Queen Square. This year our rental income will increase by 60% to £270,000 and in 2017 we will be generating over £305,000.

We started 2015 looking at a scenario where we may have lost up to 50% of the export grants from government but after considerable lobbying we finished the year having taken 650 companies to overseas trade shows. We secured £790,000 of export funding for the industry. We supported fashion companies, accessory brands, textile manufacturers, textile designers and technical textile companies in shows from New York to Shanghai.

In 2016 we have managed to secure almost the same level of funding, making us by far the biggest user of the Government TAP scheme. Despite a considerable amount of turmoil and uncertainty at UK Trade and Investment, we have managed to secure TAP funding through to April 2017 and we are already talking to UKTI about plans for 2017/18. Paul Alger continues to excel in this area

and his commitment knowledge and enthusiasm are greatly appreciated by us all.

We have continued to promote the fantastic range of manufacturing capabilities here in the UK, both through the Lets Make It Here website, our presence at UK trade shows and through involvement with the Meet the Manufacturer Show, The Alliance Project and our Federated members such as the Textile Centre of Excellence and the Scottish Textile and Leather Association. It's an interesting statistic to note following a government survey we now have 65000 people engaged in garment sewing in the UK so this area will continue in line with Internet growth and fast fashion response to be a key area of development for UKFT.

In 2016 we started a project to map and bring together the manufacturers in London and although this project is only in its infancy, I am delighted to report that so far we have identified over 140 fashion, textile, accessories and footwear factories in London, all of whom make for other people and many of whom are very keen to work more closely with UKFT.

We are also working closely with partners such as the Alliance project, the BFC and our friends in Scotland to bring together all the different manufacturing databases in to one valued and trusted source. Our vision of being the owner and repository of the combined information on behalf of the industry is finally taking root.

UK manufacturing is enjoying a great renaissance, helped by the growth in the cost benefits of re-shoring, the sustainability agenda and the latest government statistics show that last year manufacturing employment in the UK rose for the first time in decades. In November this year, working with a key retailer, we aim to hold a significant event to recognise this remarkable achievement.

We have continued to increase our lobbying and political activities over the last 12 months both here and in Brussels. We have met with Lord Maude and senior civil servants on issues such as export support, the apprenticeship levy and the negotiations over TTIP. The All Party Parliamentary Group continues to take an active interest in our work and Damian Collins and Lord Purvis are particularly active supporters and our catwalk event on the terrace of the House of Commons was a huge success. Bill Macbeth and Tom Hainsworth regularly attend the meetings at Euratex and do a fantastic job in ensuring our views are at the very centre of the European industry.

The skills and training landscape is key to our sector. A rapidly aging workforce and a growth in manufacturing mean that it is vital that we do all we can to encourage people in to the industry and equip them with the skills they need to thrive.

UKFT is working in conjunction with key partners to develop a national skills and training strategy for the industry. The strategy will look at the image of the industry and the development of a pre-apprenticeship programme. The apprenticeship standards that are available are backed by industry and interestingly may also look at how the industry can develop its own apprenticeship assessment process.

UKFT Rise, our network for businesses that are new to the industry continues to grow and I am indebted to the Rise committee for all their hard work. The UKFT Rise Buyers Den and Investment dinners are now firmly established in the fashion calendar and I am very much looking forward to the debate on the EU which is being held in a couple of weeks. Some of us took part in the speed mentoring event at PWC and a number of dynamic new British business entrepreneurs are now benefiting from our experience. My thanks to Richard Hurley for driving this new initiative forward and coming up with some great concepts to encourage this new network that I am convinced will be a driving force in the Industry.

The links between our Federated members are constantly improving and I know that David Breckenridge is working hard to reinvigorate this vital part of UKFT that brings together the various different strands of our sector and is key in ensuring that UKFT is the voice of the industry.

Our seminar and masterclass programme continues to grow and is very popular with both members and non members and in 2015 we had over 475 companies attending our events. We helped companies understand varied issues and topics from the importance of Intellectual Property protection, exporting, working with agents and distributors, leadership, fabric sourcing and marketing to name but a few.

All of these activities saw membership in 2015 grow by a fantastic 20%. This is a great endorsement of UKFT, its staff and its activity. The Board and I are committed to improving this figure and ensuring that the association grows from strength to strength.

I would like to take this opportunity to thank the staff at UKFT for all their efforts. These are exciting times for the industry and UKFT. The future holds lots of challenges but we are significantly better equipped to ensure UKFT continues to deliver its two key roles as a business advice and support organisation while also acting as the voice of the industry.

Thank you

Nigel Lugg, Chairman, UKFT