

Company number: 2959712

Charity Number: 1040519

# Forum for the Future

Report and financial statements

for the year ended 31 December 2017

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FOR THE  
FUTURE**

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Forum for the Future is an international non-profit group with a purpose to accelerate the big shift towards a sustainable future by catalysing change in whole systems. We operate in four offices located in the UK, US, Singapore and India. This annual report gives an overview of our ongoing work with business, government and wider civil society, all of which aims to create a fairer future and benefit for all.

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## MESSAGE FROM THE CHAIR AND CHIEF EXECUTIVE

### Thriving in an uncertain world.

This is an exciting time in the sustainability arena. And a challenging time.

Over the past few years we have seen rapid expansion of corporate understanding of what true sustainability means. We are also seeing huge advances being made possible through the application of new technologies, such as blockchain, that allow for unprecedented traceability in supply chains. And all this is underpinned by rapid increases in levels of awareness among consumers of the impacts of their purchasing decisions, and interesting examples of new ways of organising among civil society that have the potential to make a real difference.

At the same time, our global challenges continue to mount. United Nations projections suggest that the global population may not peak this century as we had previously thought. Our natural resources and systems are under increasing pressure. It has become clear that we urgently need to decarbonise the global economy in order to avoid catastrophic climate shifts. And much of the change we are experiencing is extremely rapid and non-linear, making it challenging for leaders to understand how to make decisions and to set strategies in response.

At Forum, this only serves to underline the critical need for the kind of systems change expertise and futures work that we have spent more than 20 years developing in partnership with leading global businesses, civil society organisations and governments. Much of the work we have been advancing in 2017 has focused on working across sectors to drive system level change for sustainability, either via collaborations, or through one on one partnerships. At the same time, we have continued to build our niche in the area of system change for sustainability and we are expanding our impact by equipping others in the system change field. This has led to our new initiative – the School of System Change, and to a broader focus on building a community of system change practitioners.

In 2017 we also continued to navigate the changes needed within Forum in order to ensure that we are best placed to help our partners and other global leaders navigate these challenging times.

This has meant more organisational investment outside the UK as we become a truly international organisation and one with presence in parts of the world where the most dynamic change is taking place.

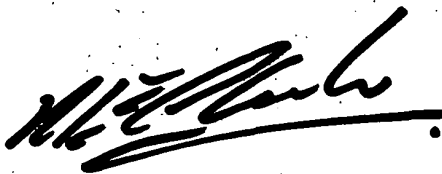
Over the past six years we have transitioned from being a purely UK based operation, to one with offices in New York, Singapore and Mumbai, and our revenue from work overseas has increased from less than 10% to nearly half.

We have also been transforming ourselves from an organisation working mostly on one-on-one engagements with businesses to help them create their own sustainability strategies, to one also focused on high-leverage collaborative partnerships that will drive widespread system change on the most critical global issues. This has led to major multi-stakeholder

projects convened by Forum to drive change in the energy system, food system and global supply chains, including apparel. These collaborations, which you can read about in more detail in the report, are generating system change, and major learning on how system change happens, which has huge value to the wider field.

In 2017, we received generous support from the C&A Foundation, for which we are hugely grateful, to help us completely revamp our internal systems and processes to allow us to be more effective across all our areas of work, and to drive the greatest impact.

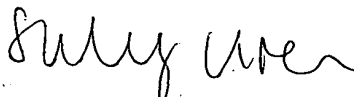
None of the work you will read about in this report would have been possible in the absence of deep relationships with leaders and pioneers across all sectors. We would like to thank you all for your support and for your partnership. We are looking forward to advancing and deepening those partnerships in 2018, as we work together to create a more sustainable world. Together we really can reinvent the way the world works.



Keith Clarke C.B.E.

Chair, Forum for the Future

10 May 2018



Sally Uren O.B.E.

Chief Executive, Forum for the Future

10 May 2018

## TRUSTEES REPORT

### Introduction

The Trustees, who act as directors for the purposes of company law, present their report and audited financial statements for the year ended 31 December 2017, which have been prepared in accordance with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice: Accounting and Reporting by Charities, the SORP applicable to charities preparing their accounts in accordance with FRS 102.

### Overview – our mission

Climate change, poverty, malnutrition and civic unrest: the world faces these complex challenges because our fundamental systems are broken. Fixing them is a task beyond any one business, government or NGO. We need people to work together, pooling their skills and resources on a global scale to build sustainable systems that benefit everyone, everywhere. We need to move beyond incremental change, and focus on fixing the root causes of unsustainability.

This is why Forum for the Future's mission is to accelerate the big shift towards a sustainable future by catalysing change in whole systems and therefore delivering benefit for society at large.

Our current organisational goals state that by the end of 2018 we aim to have:

- delivered progress on complex sustainability challenges
- inspired and equipped people and organisations to deliver systemic change for sustainability
- contributed to demonstrable progress in shaping a sustainable future.

We would like Forum for the Future to be known internationally for catalysing system change on specific challenges – as a leading organisation in delivering practical system design, including futures tools and techniques. Our core activity is **delivering system change projects that support sustainable development**, learning by doing, and **equipping others to do the same**. Our partnerships support that work – helping organisations develop the strategies to address complex challenges and equip our partner contacts personally to drive big change.

Over the past 20 years, we've seen sustainability become mainstream as an issue in business, government and civil society. We're proud to have been part of this, particularly our role in mainstreaming corporate sustainability. And yet, we're only just getting started. Today we work with hundreds of organisations through our offices in London, New York, Mumbai and Singapore, and create impact through the businesses, governments, NGOs and trusts with which we partner.

**Find out more about how we're building a sustainable world at [forumforthefuture.org](http://forumforthefuture.org), [thefuturescentre.org](http://thefuturescentre.org), or via LinkedIn, Twitter and Facebook.**

## **Objectives and activities**

### **Summary of memorandum and articles of association**

As a charity, Forum for the Future is required to operate in line with its memorandum and articles of association and to demonstrate public benefit from its activities. This section sets out how it fulfils that duty.

### **Public benefit**

The Trustees have referred to the Charity Commission's general guidance on public benefit when reviewing the aims and objectives of Forum and planning its future activities. The Trustees confirm that they have complied with the duty in section four of the Charities Act 2006 to have due regard to the public benefit guidance published by the Charity Commission in determining how planned activities will contribute to the aims and objectives that have been set.

Forum for the Future in the UK is a registered educational and sustainable development charity, and a company limited by guarantee and not having share capital. Its governing documents are the memorandum and articles of association. Its charitable objects are:

- To advance the education of the public in economic and social studies as they relate to individuals, communities, society at large and the planet as a whole, with special reference to their interrelationship with ecology, the natural world, health, technology, agriculture, sustainable development, philosophy and psychology
- To promote sustainable development for the benefit of the public by:
  - The preservation, conservation and protection of the environment and the prudent use of natural resources
  - The relief of poverty and the improvement of the conditions of life in socially and economically disadvantaged communities
  - The promotion of sustainable means of achieving economic growth and regeneration.

Forum aims to benefit the public by providing information about the path to a sustainable future. We achieve this aim by enabling organisations in the private and public sectors to put sustainability at the heart of their strategies and develop products and services that are environmentally sound, economically viable and socially just. Our pre-competitive multi-stakeholder projects (where competitors can come together within the rules of competition law to discuss strategic responses to often complex and difficult issues, as well as developing common methodologies and approaches) have a direct public benefit, by actively addressing specific complex challenges, with a number of our research projects articulating the new systems and governance for sustainable systems also directly benefiting the public.

We make the results of our work available to the wider public through events, publications, our website and our digital Futures Centre platform, where we build communities and discussions to accelerate change. Here, we share 'sensemaking' analysis and signals of change sourced through our projects, resources that we recommend, and thoroughly researched and referenced futures trends. We also strive for coverage of our projects in mainstream media across the globe as another way of sharing our work.

Forum has continued to deliver against these charitable objects in 2017.

### **Summary of activities and achievements in 2017**

Forum for the Future is working with its partners, funders and collaborators to address key global challenges for the benefit of society at large. We recognise that current economic and societal models are rapidly destroying the planet and jeopardizing our future, and that a systems approach is urgently needed to create change at the scale and pace required.

We believe that by working together we can create new, more sustainable patterns and reinvent the way the world works. The primary ways we do this are through:

#### **1. Transformational collaborations**

We work with partners from all sectors to take a systemic approach to understanding key global challenges, and to innovate new ways to address them.

#### **2. Transformational strategies with leaders and pioneers in all sectors**

Through our long-term partnerships, we help businesses, NGOs, trusts and foundations, and government agencies understand the opportunities to create system-level change, and how to unlock them.

#### **3. Empowering leaders in system change**

We help people become better change agents through our projects, partnerships, our Network, and the School of System Change.

## **1. TRANSFORMATIONAL COLLABORATIONS**

Today's complex sustainability challenges, such as poverty, water scarcity and climate change, must be tackled systemically. At the same time, the United Nations Sustainable Development Goals and the Paris Climate Agreement have given governments and organisations an unequivocal international mandate and framework for change across key global challenges.

As a convener and catalyst Forum for the Future brings together people and organisations in collaborations that aim to transform not only their own operations, but entire systems. Working with these powerful and diverse collaborations makes the most of Forum's experience in translating the need for system change across sectors, cultures and personal perspectives.

We are currently focused on a number of key global challenges: Sustainable Nutrition; Sustainable Livelihoods and Value Chains; keeping the world within 1.5 degrees net global warming; and encouraging a pioneering movement of organisations that aim to become Net Positive, that is to put more back into society and the environment than they take from them.

Progress against each of these initiatives is summarised on the following pages.

## Sustainable Nutrition

*The Protein Challenge 2040: feeding nine billion people affordably, healthily and sustainably*

How will the world feed nine billion people enough protein in a way which is affordable, healthy and good for the environment? 2017 has seen a widening debate across business, civil society and governments on this topic. The Protein Challenge 2040 – a coalition of leading international businesses, NGOs and organisations convened by Forum has played a critical role in helping to shape that global conversation.

The goal of the Protein Challenge is to transform the consumption and production of protein. In 2017 the coalition moved from theory into focused action. Having diagnosed the global protein system and identified areas ripe for critical action, Forum for the Future facilitated the group in honing these down into practical pilot projects to be run in the US and UK.

Our first priority was **to encourage the consumption of more plant-based proteins**. We created impact in a number of areas including:

- **Future Plates (UK):** Partnering with the Sustainable Restaurant Association (SRA) to reach out to influential, leading chefs on prioritising plant-based cooking in restaurants and food service companies, using their considerable influence to help shape peer thinking and consumer behaviour. The initiative directly shaped the SRA's Flip the Menu campaign, which received sign-ups from 2,500 restaurant sites across the UK.
- **School Lunch Design Challenge (USA):** A design challenge focused on introducing more plant-based protein options for school lunch programmes. This has already received support from eight school districts across the United States.

The pilots have generated positive market interest and stakeholder feedback, and in 2018 the objective will be to further explore and expand these pilots to achieve wider impact.

Our second priority is to **make livestock and fish-based protein production more sustainable**. We began the **Feed Compass** pilot to transform animal feed – an unseen but vital input into the food industry that has significant implications for environmental health and food security. With support from the Rockefeller Foundation we developed a new report, the Feed Behind Our Food, highlighting the vital role that retailers and food service decision makers have to play in acting on animal feed, and outlining, for the first time, a set of criteria to be used in evaluating the sustainability of different animal feeds. Following its release in January 2018, we will be building on this set of criteria to develop a new Feed Compass tool that will help food industry businesses and leaders make better decisions on animal feed used in their supply chains.

## Sustainable Value Chains and Livelihoods

*Cotton 2040: driving sustainable cotton into the mainstream*

Cotton touches most of us every day, from the sheets we sleep on, to the towels we use, the clothes we wear and the furnishings we live with. It represents about 30% of all fibre used in the textile sector and is grown on over 2% of total arable land in over 80 countries. Cotton production employs around 250 million people in the production stages alone, and supports the livelihoods of around 350 million people around the world.



However, conventional cotton production is associated with significant social, environmental and economic impacts, including over-consumption of water, inappropriate or excessive use of pesticides and fertilisers, low incomes of smallholder farmers and soil depletion.

Convened by Forum for the Future with support from the C&A Foundation, the **Cotton 2040** initiative integrates and accelerates action on critical issues to mainstream sustainably grown cotton, reducing the system's negative impacts and ensuring supply for the future. The initiative brings together leading international brands and retailers including M&S and Target, sustainable cotton standards, existing industry initiatives and other stakeholders across the value chain. It is the first time an initiative of this kind has brought all the sustainable cotton standards together.

Together the partners have identified four priority areas for action that have the most significant potential to create a systemic shift in this value chain, and in 2017 we started to take three of these forward:

- **Building demand:** aimed at driving the uptake of sustainable cotton with brands and retailers, by helping apparel brands and retailers to more easily develop and implement sustainable cotton sourcing strategies. In 2017 we developed a sustainable cotton sourcing guide which generated significant interest following its preview in October. In 2018 we will focus on piloting and completing the digital guide and launching it to the wider industry with a collaborative outreach campaign.
- **Traceability:** Although advances in ICT are making accurate tracking of cotton more feasible, different sustainability standards use different traceability systems. Brands and retailers wanting to source across standards currently need to navigate multiple entry points and frames of reference, which makes the process of sourcing sustainable cotton very complex. In 2017, we conducted a scoping study to identify how to improve traceability and built a 'cotton traceability roadmap'. This was reviewed with the sustainable cotton standards, and has led to a second phase of work, supported by C&A Foundation, to stimulate alignment across the sustainable cotton standards. Further stages in 2018 will involve brands and retailers in identifying areas for collaborative, industry-wide action.
- **Smallholder resilience:** Over 60% of the world's cotton is produced by smallholder cotton farmers, who are some of the poorest and most vulnerable in the world. Equipping these farmers with the skills, practices and enabling structures to adapt, increase levels of independence and grow cotton sustainably will be critical to building resilience not just for farmers, but across the cotton value chain. In late 2017, we hosted a high-level roundtable to explore and identify areas where greater alignment of existing activities could make a real difference to smallholders, and identify potential priority areas for action. In 2018, we will be working with brands, retailers, standards and others to develop these areas into one or more active workstreams.

## *Beauty and personal care: putting more sustainable products on the shelves in the US*

Demand from consumers and NGOs for beauty and personal care (BPC) products they believe to be safe and sustainable has been growing consistently over the last decade. And yet, while sustainability is a shared concern across the industry, there has not been a common understanding of how to assess product sustainability. Founded in 2014 and facilitated by Forum, the **BPC Leadership Group** is a cross-industry, multi-sector group of major brands and retailers including Target and Walmart. The initiative aims to increase the number of sustainable products on the shelves by simplifying the wide array of product assessment criteria in use today.

In 2017 the group developed a common approach to evaluating the sustainability of beauty and personal care products, culminating in the piloting of a draft assessment tool in October and November, which provides greater alignment across existing product sustainability measurement approaches and policies. This represents a significant step toward a more sustainable and transparent industry.

The next step is for The Sustainability Consortium (TSC) to take on coordination, development, and implementation of the assessment tool.

## **The 1.5°C Challenge**

The UN Paris Agreement states the clear commitment to act to limit the temperature increase to 1.5°C above pre-industrial levels. Forum believes that the science behind climate change is clear, and that staying within these limits requires urgent and transformative action on the part of business, government and civil society. To this effect, we are working one-to-one with businesses and in collaboration with partners that recognise both the urgency of the challenge and the huge opportunities across energy, mobility and land use that the transformation to low-carbon economies will present, while also ensuring that every community feels the benefits.

With our work we aim to:

- shape and implement sets of solutions that radically decarbonise the energy system
- identify and drive the best ways to re-carbonise soil and agriculture; and
- help organisations to build their climate resilience and to mobilise them as advocates for system-wide and radical decarbonisation.

In 2017, we delivered on these goals through a number of projects, including the Living Grid, Wise Minds, the PowerPaired platform, and the Power up Odisha initiative in India.

## *The Living Grid: new ways of moving to future energy resilience*

Bill-payers in the UK currently bear the cost of an energy network that's struggling to decarbonise. These costs are unnecessary – the result of a mismatch between the checks and balances used to keep our legacy network stable and those needed for distributed, renewable energy. The faster we resolve this mismatch the faster we can unlock the potential of renewable energy. Yet progress is slow and disjointed.

The Living Grid is a pioneering community of organisations driving fundamental changes to our energy network to decarbonise it more quickly and efficiently. It is the first working partnership of businesses and technology providers which aims to help relieve this pressure on our electricity system. It is inspired by natural ecosystems: interactive, self-balancing and adaptive, rather than linear, clumsy and centralised.

Through 2017 and 2018 we are working together with energy solution providers to bring the Living Grid to life through practical projects as well as build the vision for its future use.

*The Wise Minds report: shaping a more progressive narrative about the energy system*

Rapid innovations in digital technology are enabling step-change in the global energy system, but many large energy generators and suppliers across Europe have been caught off-guard by the pace of change. Their assets are at risk of being stranded, which would lead to massive loss in shareholder value and jobs, often concentrated in disadvantaged communities.

To contribute to greater understanding of the changes needed, together with the Friends Provident Foundation we convened a group of influential industry and political leaders such as Volker Beckers and Sir Ed Davey, who had recently held very senior positions at the top of the energy sector, to share their expertise and insights. We combined this with extensive desktop research in a Wise Minds report on how large energy utilities need to adapt to stay relevant in a rapidly changing energy landscape, and why investors need to actively engage them to manage their risks effectively.

The report generated significant interest including press coverage in over twenty media titles. It is a fundamental piece of insight on which we continue to build Forum's thought leadership around the need for a rapid and just energy transition.

*PowerPaired: Catalysing the next wave of community-owned energy projects*

As part of the energy transition we want to see more communities owning, generating and saving energy together – contributing to a future energy system that is decentralised, decarbonised, democratised. Despite a challenging policy landscape, new business models are emerging for community energy in the UK. But identifying viable sites remains a highly resource-intensive exercise for groups reliant on volunteer time and local relationships. This is leading to big delays in developing projects and a growing sense of inertia within the movement.

With the PowerPaired platform, Forum is looking to match owners of viable land and built assets with community groups who have the skills and experience to deliver renewable energy projects. From care homes and church halls, to retail parks and office buildings, our vision is of a growing number of asset owners helping to catalyse the next wave of community energy projects, whilst contributing to their own energy needs. Following a successful feasibility study in 2017, testing of a prototype platform funded by Friends Provident Foundation will begin in Spring 2018, with regional pilots planned in Greater Manchester and London.

## *Power up Odisha: Changing the default narrative on electricity access in India*

The state of Odisha in India has ambitiously committed to provide 24x7 Power for all by the financial year 2018-19. With the highest number of un-electrified villages in India and growing demand in energy from residents, agriculture, commerce and industry, this is no small task. To succeed, a variety of appropriate generation, transmission, distribution and storage technologies will need to be rolled out, alongside energy efficiency measures. Renewable, non-renewable, centralised and decentralised energy sources will all likely have a role, at least in the short term, but there are questions around what is the ideal mix, and what energy system will provide the most benefit now and in the future for Odisha.

The Power up Odisha initiative is led by Forum in collaboration with the Council on Energy, Environment and Water, Department for International Development (DFID), Batti Ghar and KPMG. In 2017 we worked with these partners to develop three different modelled scenarios for 2030 which explore how different decisions on energy system design can affect multiple policy outcomes at once, such as societal cohesion, higher value-add livelihoods and attractiveness to business. These will be shared with and inform a new Taskforce on Integrated Energy Planning in spring 2018.

A key lesson for us was that Odisha, like much of India, faces fundamental choices on how it brings about "24x7 power for all". Does it do this through the current largely centralised approach or could it be a more diverse set of solutions also involving people through decentralised renewable energy for instance? While many experts recognise the importance of a decentralised, decarbonised and digitised system, the narrative used by many influencers defaults to relying on grid extension to achieve energy access. Because of this realisation, Forum has joined forces with several expert organisations at a national level to influence this narrative. Acting as the secretariat for the collaboration, we are coordinating a set of systemic interventions designed to build and inculcate a powerful narrative around energy access in India that leads to greater investor confidence and to a more supportive policy environment for a diverse, sustainable energy system.

### **Net Positive**

In order to deliver the SDGs and the Paris Climate Agreement, being less bad isn't enough. At Forum we are clear that putting more back into the environment and society than we take out is necessary if we are to deliver the ambition of the SDGs. We call this Net Positive.

We have driven this vision in three main areas throughout 2017.

Firstly, we continued to support the **Net Positive Project**. The Net Positive Project brings together three NGOs – Forum for the Future, BSR and SHINE (the Sustainability and Health Initiative for Net Positive Business at the Harvard School of Public Health's Center for Health and the Global Environment), along with academics and a group of 18 companies with Net Positive ambitions, including Target, Kimberly-Clark, Dell and Capgemini.

In 2017, the partners worked to define what it would mean to put more back into society and the environment than they take out. Such a 'Net Positive' approach requires transformative

shifts in business models, new partnerships and innovation – from food companies trying to put more nutrients back into the soil than they take out, paper companies supporting the growth of more forests than they harm, or fashion companies striving to create a positive social impact throughout their supply chains as opposed to being simply compliant. The group members developed and shared four guiding principles to help shape Net Positive goals, as well as initial insights into methodologies for how to develop and implement these goals. The group also developed a case study protocol, to help build a bank of examples of Net Positive achievements.

Secondly we promoted Net Positive as an ambition with our partners. This has proven to be a very powerful frame for partners that are considering their ambition in the light of the SDGs and Paris Accord.

Finally, Forum has helped raise the profile of Net Positive to build it as a global movement, through articles, blog posts, webinars and speaking at various conferences. These included the Sustainable Brands conferences in Detroit, Copenhagen and Kuala Lumpur, the Textile Exchange sustainability conference in Washington DC, as well as the first 'Net Impact' conference held in London in May, which brought together Net Positive practitioners.

### **Emerging areas of work**

Forum's work is informed by our exploration of areas of high-change potential. This means we are constantly scanning for emerging themes which may develop into promising future areas of work for the organisation. In 2017 we explored three of these new areas.

#### *Regenerative agriculture*

A regenerative approach to agriculture provides an opportunity for businesses, governments and funding bodies to not only provide the nutrition required for a healthy global population, but also to deliver the commitments made in the Paris Climate Change Agreement and the SDGs. Indeed, without the rapid and comprehensive transformation of the global agriculture system towards regenerative practices, it is hard to see how either the Paris Agreement or the SDGs could be met. While there is increasing interest in regenerative agriculture, most of this activity remains localised or niche.

Supported by Forum's Catalyst Fund and Diageo, Forum undertook desk research, conducted a number of stakeholder interviews, and facilitated three workshops (in London, New York and Delhi) to explore attitudes towards 'regenerative agriculture' and to determine if and how we, in coordination with large brands and other key stakeholders, can help regenerative agriculture gain traction and reach scale.

#### *Citizens and communities*

People and communities have more access to the tools and skills to create change than ever before. Since 2017 we have been leading **Civil Society Futures**, a national conversation about how English civil society can flourish in a fast changing world, in collaboration with Goldsmiths University, Open Democracy and Citizens UK.

Through community events, academic research and online debate, Civil Society Futures is creating a space for a much needed conversation among those involved in all forms of civic action – from informal networks to vast charities, Facebook groups to faith groups. Considering how both the nature of civil society and the context it exists in are changing fast, we will investigate how to maximise the positive effects of civic action and provide a guide to how to release its potential to drive positive change.

At the start of 2018 we are half-way through the Inquiry and in the midst of the initial analysis stage. The Inquiry findings point to the need for a systemic approach to how we understand the relationship between individuals, collective, organisations and institutions within our society. It has identified a number of big themes where further exploration is required - the initial findings will be shared publicly in April 2018.

### *Tech catalyst*

By looking into the future, we are investigating the potential of emergent technologies to drive positive outcomes and analysing how they can support systemic change.

In 2017, we worked in partnership with Dell and the City of Palo Alto, to research how *open data* is being used to enable sustainability outcomes, particularly in sustainable mobility. Complementary to this, we are bringing multiple British organisations together to develop the Trav.ly pilot - a practical mobile application to enable consumers to increase their use of active modes of transport building on the trend of MaaS (mobility as a service).

We also collaborated with *blockchain* leaders to test the technology's potential for supporting sustainable value chains (exploring cotton, tea and cement) and its connections with other solutions such as the *Internet of Things* and artificial intelligence (AI), and we explored how synthetic biology can be harnessed for sustainability.

## **2. TRANSFORMATIONAL STRATEGIES WITH LEADERS AND PIONEERS IN ALL SECTORS**

Through Forum's long-term partnerships, we help businesses, NGOs, trusts and foundations, and government agencies understand the opportunities to create system-level change, and how to unlock them. By working with companies we aim to shift business models, and ultimately to offer the public the option to choose sustainable products and services.

A few examples from our work in 2017 are highlighted below.

We worked with pioneering partners to update their strategies. For example, our partnership with **Unilever** has focused on the development of the Unilever Sustainable Living Plan 2.0 post 2020. As part of the first phase in 2017, we scanned sustainability frameworks and best practice in corporate sustainability across the globe, to identify a stretch "North Star" for the next phase of Unilever's sustainability journey – driving their ambition to create transformative

change in the external systems they operate within. A second phase will follow in 2018.

In the US, we continued to work with retail giant **Target** advising one of the US's best-known brands on how they can leverage their presence in millions of people's lives to create positive impact. Target is also supporting a number of our major collaborations.

We also worked with numerous other ambitious organisations across our operating regions to develop transformational strategies across a wide range of global challenges. In 2017 we saw significant growth for this work in the Asia Pacific region, where we created an ambitious new strategy for **Fonterra** to embed sustainability into the core of the business. Fonterra is not only the world's largest global dairy exporter and New Zealand's largest company but is also responsible for polluting many of New Zealand's rivers and is the nation's second highest coal-user. As a result, the company announced a new environmental initiative in July 2017 to clean up the country's natural waterways by restoring 50 freshwater catchments.

Also in Asia Pacific, we continued our work with partner **Sime Darby**. In 2017 much of this work focussed on supply chains, including training traders to better position the value of Sime Darby's certified sustainable palm oil as a way of driving the mainstreaming of sustainable palm oil. We also worked with their strategy and operations leads to co-develop a 'climate risk road map' for their estates. Finally, we partnered with **City Development Limited (CDL)** a Singapore-based property development company, to help them understand their supply chain risk, and worked with leading textile company **Ramatex** to develop a strategy focussed on addressing supply chain risks specific to apparel.

In India, we continued to support the **Aditya Birla Group**, one of India's largest conglomerates, building the capacity of their leadership team and spreading futures thinking throughout the businesses.

### 3. EMPOWERING LEADERS IN SYSTEM CHANGE

Forum is working to build a future that is better for everyone and we do that by increasing the capacity of individuals to drive change within their organisations, their communities and their lives.

In 2017, Forum launched the School of System Change to equip future leaders with system change capabilities, continued to bring 100 organisations together in its international Network, as well as supporting the Futures Centre as a global community of individuals tracking and making sense of change to identify opportunities to accelerate sustainability.

#### *School of System Change*

The more people who are confident to lead sustainability initiatives that create change across whole systems the better. Forum is developing a new learning system to scale up system change capabilities in future leaders across the world. The programme is targeted at mid-career professionals from business, NGOs, social enterprise, public organisations and consultancies.

2017 was the year in which the School of System Change went live in the UK and the US with funding support from Diageo Foundation, Mitsubishi Fund for Europe and Africa, American Express Foundation and Target Corporate Giving. We designed a curriculum and pedagogy based around five key system change capabilities, and brought together a group of some of the best practitioners and learning providers to deliver the School's programmes. A total of 62 participants were recruited to take part in the first four pilot programmes. We ran one full programme in 2017 in the UK, delivered the first three months of a second European cohort and prepared for two more in early 2018 in the UK and US. An online community of 100 accomplished and aspiring system practitioners was also established, working towards our ambition of catalysing an international community of practice over the next three years.

### *Coaching and equipping other organisations*

Forum for the Future has also been coaching other organisations and initiatives to build their systems practice. This includes supporting **Calouste Gulbenkian Foundation** with the second phase of their Valuing the Ocean strand; building the capacity of the **Marine CoLab** in learning for systems change; as well as equipping the **#Oneless campaign** to rid London of single-use water bottles with a systems changing approach. In 2017 we also supported **Oxfam's** System Innovation in Women's Economic Empowerment Initiative with their systems maps in Ghana; coached **Corra Foundation** on their place-based systems change project across Scotland; worked with **KR Foundation** on Sustainable Lifestyles; and supported the **Robert Bosch Foundation's** Connecting Networks programme, helping 12 Foundations across Europe consider a networked approach - which continues into 2018.

### *Network*

Forum's international Network brings together a critical mass of disruptive corporate giants, influential upstart businesses, social enterprises, NGOs, foundations, government bodies and universities who share Forum's purpose. Network membership currently stands at around 100 member organisations who are committed to driving sustainability within their organisations and sectors. A quarter of our Network have been members for more than ten years.

### *The Futures Centre*

The Futures Centre convenes a global community, tracking and making sense of change to identify opportunities to accelerate sustainability. By crowdsourcing signals of change from across the world using a publically available website, the Centre helps Forum to monitor the development of significant trends shaping the future for sustainability. It also provides significant analysis and thought leadership through sense making articles, webinars and newsletters, and through its 'Explorers' offers the opportunity for collective investigations of emerging opportunities to address specific challenges.

In April 2017, an Explorer titled "Living grid: energy inspired by life" investigated how we might design a self-regenerating energy system. Corporate energy users, academics, community energy organisations, local authorities and experts in energy and technology were invited to contribute their opinions and reflections, inspired by experts in regenerative development and biomimicry. Over 3,300 people engaged in a global conversation.



In 2017, the Futures Centre global community expanded significantly to reach almost 72,000 unique users.

## Financial review

### Summary

The overall financial results have significantly improved over the course of the year. Whilst income has only marginally increased from £5.2 million in 2016 to £5.3 million in 2017, the reduction in expenditure has driven the improvement in the deficit from 2016. The key figures are as follows:

| £m                | Unrestricted | Restricted | 2017<br>Total | Unrestricted | Restricted | 2016<br>Total |
|-------------------|--------------|------------|---------------|--------------|------------|---------------|
| Income            | 3.8          | 1.5        | 5.3           | 4.1          | 1.1        | 5.2           |
| Expenditure       | 3.9          | 1.2        | 5.1           | 4.5          | 0.7        | 5.2           |
| Surplus/(deficit) | (0.1)        | 0.3        | 0.2           | (0.4)        | 0.4        | 0.0           |

The unrestricted deficit has significantly improved at £(106,000) (2016: deficit £(433,000)). Whilst the 2016 results included a £100,000 one-off write-off on consolidation of the US accounts, the underlying improvement in results has been driven by a more robust business planning process which is being supported by the implementation of new key systems for both finance and project planning. We expect to see more of the benefits of these in 2018.

The balance sheet position has remained broadly constant with overall funds carried forward of £1.3 million versus £1.1 million at the end of 2016. Unrestricted reserves at £0.5 million for the group (2016: £0.6 million) are as planned, but below the target of 20% of unrestricted income, at 13%. However the year-end cash position of £1.1 million had improved (2016: £0.7 million) broadly as a result of restricted grant income received in advance and carried forward into 2018.

### Reserves policy and going concern

The Trustees have set a policy to hold sufficient unrestricted reserves to cover working capital requirements, short term reductions in income and unexpected expenditure. This target has been set at 20% of unrestricted income to provide sufficient resilience. However in December 2017, reserves were below this level at 13%.

The organisation embarked on a robust transformation plan in 2017, focused on updating key systems and processes. This work was supported by a generous grant from the C&A Foundation and will continue into 2018. The Trustees have reviewed the cash flow and supporting plans and are confident that despite being below the reserves policy target, sufficient working capital is available to secure the going concern basis. The Trustees have agreed that Forum will plan to build reserves back to the target level over the next three financial years and have approved the budget as well as detailed plans for 2018 which will begin to deliver these reserves.

## **Fundraising**

We are aware of our obligations under the Charities Act to report our fundraising policy. We primarily engage with corporates, statutory funders, trust and foundations and high net worth individuals in order to raise our income and do not use external professional fundraisers. There have been no concerns or complaints received concerning fundraising.

## **Our environmental impact**

Forum's environmental management system has been in place for many years. Our most material environmental impact from our operations is our carbon emissions, which have decreased to 231 tonnes of CO<sub>2</sub> (2016: 349 tonnes of CO<sub>2</sub>). The largest contributor to our carbon emissions is aviation, producing 185 tonnes (down from 312 in 2016). We do our best to avoid all unnecessary travel, and use virtual meetings extensively. However, as an international organisation, a certain amount of travel is critical to engaging with partners and driving the change we want to see in the world. All of our carbon emissions are offset through Climate Care.

## **Principal risks and uncertainties**

The risk register continued to give the Trustees assurance that key risks are adequately managed. The policy requires that key risks are identified and ranked each year and that each identified risk is assigned to a named risk owner who constructs a risk mitigation strategy and monitors the progress of that strategy.

The Senior Management Team (SMT) review the overall register regularly to determine the ongoing risk profile and agree on mitigation strategies. The Audit and Assurance Committee (AAC) then reviews the risk register twice yearly to ensure all risks are captured, monitored and are being adequately mitigated.

Our key risks remain the same as last year. Firstly the low level of reserves, specifically available cash, and secondly the impact of the external environment on our funding pipeline (more specifically the increased competition for funding as well as the uncertain economic climate i.e. Brexit). Both of these have been carefully managed over the past year. With regards to cash, Forum ended 2017 with a significantly improved cash balance of £1.1 million (2016: £0.7 million). The pipeline is managed by income stream and rigorously reviewed. In October 2017, we recruited a Chief Development and Communications Officer with significant experience and are updating our income generation strategies across all streams to deliver timely and robust future plans.

## **Plans for the future**

Many of the initiatives outlined in this report will continue to be priorities for 2018 and beyond.

## ***Driving system change through key regional and global projects***

Our largest area of focus will be on continuing to build on the large collaborative projects we have launched to address key global challenges, with a view to expanding them to ensure that they are representative of the various geographies that we operate in and more global in their approaches. In addition, we will be developing a clear framework for measuring our impact that helps us to understand how each area of work is helping to create the conditions for

systemic impact.

### ***Deepening our partnerships***

Over the course of 2018, we will aim to deepen our formal partnerships with business, local and national governments, foundations and civic organisations across our geographies, so that they develop strategies and plans that support system change objectives. In particular, we will be assessing all our partners for their level of ambition towards becoming Net Positive organisations and supporting them in their journeys, while also working to build the Net Positive movement more broadly.

### ***Building the systems change community***

In 2018, we plan to expand the School of System Change. We will be running a pilot for the School in the US in the first quarter which we will use as a test case for the development of a global operating model that will help us to see how we best move into new geographies. We will also be exploring how Forum can contribute to building a broader community of global change agents; as well as creating a knowledge management strategy in order to better capture lessons learned. These lessons will be shared both internally and externally as we seek to build our own capacity as well as the capacity of the broader community.

### ***Improving our capacity to drive change***

Internally, we will be continuing to refine internal processes and systems that will help us to deliver change more effectively, while also building our profile in new geographies through the launch of a new brand identity and website. In addition, we will continue to diversify our fundraising approaches.

## **Structure, governance, management and remuneration**

The governing body of Forum is the Board of Trustees, which meets at least four times a year. However over 2017, given the period of transition and the focus on stabilising the financial position, the Trustees, as well as meeting formally as a Board, have also provided significant additional support outside of the formal meetings. The Trustees are responsible for ensuring that Forum abides by its charitable aims, works within the law and delivers its mission effectively. They oversee the policies and objectives of Forum and ensure that the work of the organisation is properly monitored and evaluated.

Trustees give their time voluntarily and receive no benefits from the charity, with the exception of Jonathon Porritt who is paid for his services as an employee of Forum, with the consent of the Charity Commission. The remaining Trustees are unpaid volunteers. The Trustees serve for a three-year term, after which they must be re-elected. Any expenses reclaimed from the charity by the Trustees are set out in note five to the accounts.

The Chair of Trustees, Keith Clarke, leads the Board. An Honorary Treasurer, elected from the Trustees, leads the AAC, which meets at least four times a year to ensure the adequacy of Forum's internal controls and financial management, and considers and evaluates the work of the external auditors. The AAC membership includes the Honorary Treasurer, Fiona Thompson, three other Trustees and an independent adviser.

New Trustees are appointed by the Board following open advertisement and approaches to other individuals. The Board maintains a list of required skills and competencies, and seeks to ensure that recruitment fills any skill gaps left by retiring Trustees. New Trustees receive a comprehensive induction, which introduces Forum and a review of the duties of Trustees as defined by the Charity Commission.

Consolidated group accounts have been prepared for 2017 along with UK company accounts.

Forum for the Future India Private Limited is a company limited by shares. Our Singapore office is operated out of Forum for the Future Asia Pacific Limited, a company limited by guarantee. Forum for the Future US is an independent 501(c)(3) organisation. Forum for the Future US uses TriNet as a Professional Employer Organisation (PEO) to manage employee contracts, benefits and payroll.

The Remuneration Committee is responsible for assessing the performance of the Chief Executive and Founder Director. This Committee is also responsible, along with the Chief Executive, for assessing the performance of the Senior Management Team.

Forum operates a performance-related pay system for all staff in the organisation. This is based on individual targets which align with the organisation's key performance indicators to support driving Forum's strategy forward. This is integrated into the appraisal process to ensure pay rises accurately reflect contribution to Forum's strategic goals.

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

The Trustees (who are also directors of Forum for the Future for the purposes of Company Law) are responsible for preparing the Trustees report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period.

In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- 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
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are

also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- There is no relevant audit information of which the charitable company's auditors are unaware
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

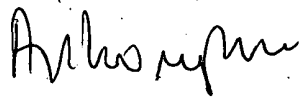
The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of it winding up. The Trustees are members of the charity, but this entitles them only to voting rights. The Trustees have no beneficial interest in the charity, with the exception of Jonathon Porritt who is paid for his services as an employee of Forum with the consent of the Charity Commission.

#### **Auditor**

Our auditor – Sayer Vincent LLP – has expressed its willingness to continue in office.

Approved by the Board of Trustees on 10 May 2018 and signed on their behalf by:



Fiona Thompson  
(Director, Trustee and Honorary Treasurer)

## **REFERENCE AND ADMINSTRATIVE DETAILS**

**Company number** 2959712

**Charity number** 1040519

### **Registered office and operational address**

Overseas House  
19-23 Ironmonger Row  
London  
EC1V 3QN  
United Kingdom  
[www.forumforthefuture.org](http://www.forumforthefuture.org)

Incorporated in England and Wales, and registered in England

### **Trustees and directors**

Trustees who served during 2017 and up to the date of this report were as follows. Find out more at [www.forumforthefuture.org/our-board-Trustees](http://www.forumforthefuture.org/our-board-Trustees).

Keith Clarke (Chair of Trustees)  
Volker Beckers  
Kelvyn Derrick  
Kate Levick  
Sara Parkin (Founder Director)  
Jonathon Porritt (Founder Director)  
Lucy Siegle – retired July 2017  
Fiona Thompson  
Anita Tiessen

The Trustee sub-committees are:

#### **Audit and Assurance Committee (AAC)**

Fiona Thompson (Chair)  
Sara Parkin  
Kate Levick  
Kelvyn Derrick  
Sharon Martin (independent member)

#### **Remuneration Committee**

Anita Tiessen (Chair)  
Lucy Siegle – retired July 2017  
Kate Levick – joined September 2017

**Company Secretary**

Peter Atfield – until December 2017

Jo Day – from January 2018

Natasha Clayton – from May 2018

**Senior Management Team**

Sally Uren, Chief Executive

Stephanie Draper, Chief Change Officer

Peter Atfield, Interim Director, Human Resources, left 31 December 2017

Anna Birney, Director Systems Change, Learning and Communities

Giles Bristow, Director, Programmes, left 15 March 2017

Helen Clarkson, Interim Chief Operating Officer, left 16 February 2017

Jo Day, Interim Chief Operating Officer, joined 1 February 2017, left 24 April 2018

Natasha Clayton, Chief Operating Officer, joined 19 March 2018

James Goodman, Director, Futures & Projects

Sandra Seru, Director, US

Jane Lawton, Chief Development and Communications Officer, joined 25 September 2017

**Bankers, solicitors and auditors****Bankers**

HSBC Commercial Banking  
City of London Commercial Centre  
60 Queen Victoria Street  
London  
EC4N 4TR

**Solicitors**

Bates Wells & Braithwaite  
10 Queen Street Place  
London EC4R 1BE

**Auditors**

Sayer Vincent LLP  
Chartered Accountants and Statutory Auditors  
Invicta House  
108-114 Golden Lane  
London  
EC1Y 0TL

## **List of members, partners and grant funders**

**Pioneers (organisations who are sustainability leaders in their sector, who access all Network and partner benefits, and also support our Futures Centre and the School of System Change)**

Kingfisher

M&S

Sky

Target

The Crown Estate

Unilever

Walgreens Boots Alliance

**Partners (organisations that both join our Network but also access a tailor-made work programme designed to accelerate their progress towards sustainability)**

Aditya Birla Group

Ahold Delhaize

Air New Zealand

AkzoNobel

Associated British Foods

Aviva Investors

Ball Corporation

Britvic

Burberry

C&A

Cafédirect

Campbell's Soup Company

Capgemini

Certis Europe

Chanel

China Navigation Company

ColArt

Colep

The Co-operative Group

Cosmetic Toiletry & Perfumery Association

Delhaize America

Diageo

EDF Energy

Firmenich

FirstGroup

Fonterra

FrieslandCampina

General Mills Foundation

The Hershey Company

John Lewis Partnership

Johnson & Johnson Corporate Citizenship Trust

Johnson & Johnson

Kyocera UK

Method

Novelis

Olam

People Against Dirty

PepsiCo

Ports of Auckland

Pret A Manger

Pukka Herbs

Sainsbury's Supermarkets

SATS

SIG Combibloc

Sime Darby

Value Retail

Vector

Volac International

Willmott Dixon



**Members (organisations that join our Network and participate in events, webinars and collaborate with peers to create change)**

|                                             |                                          |
|---------------------------------------------|------------------------------------------|
| 3M United Kingdom                           | Heineken                                 |
| Amazon                                      | HSH Group                                |
| Amec Foster Wheeler                         | Hauwei                                   |
| American Express                            | IGD                                      |
| Arjowiggins Graphic                         | Innovate UK                              |
| Ashden                                      | Interface                                |
| Aster Group                                 | Jaguar Land Rover                        |
| Asian Venture Philanthropy Network          | KeepCup                                  |
| British Aerosols Manufacturers' Association | Kimberley-Clark                          |
| Birmingham City University                  | L'Oréal Paris                            |
| Blue & Green Tomorrow                       | Marine Stewardship Council               |
| Buy Me Once                                 | Neal's Yard remedies                     |
| Camellia                                    | Nestle Research                          |
| CDL                                         | Nice and Serious                         |
| Climate Care                                | O2                                       |
| Climate Coalition                           | Orange                                   |
| The Coca-Cola Company                       | Provenance                               |
| Coca-Cola European Partners                 | Rainforest Alliance                      |
| Compassion in World Farming                 | Ramatex Group                            |
| Consciam                                    | Scottish Environmental Protection Agency |
| Cook Trading                                | Sedex                                    |
| Direct Line Group                           | ShareAction                              |
| Disney Consumer Products                    | Skanska UK                               |
| Eden Projects                               | Tarmac                                   |
| Ella's Kitchen                              | Tata Global Beverages                    |
| Everycs                                     | Taylors                                  |
| Fairtrade Foundation                        | Tesco                                    |
| Finlays                                     | Thompsons                                |
| General Mills                               | Twin                                     |
| Giant Peach                                 | Unicef (India)                           |
| GlaxoSmithKline                             | Value Added in Africa                    |
| GrowUp                                      | Which?                                   |
| GSH Group                                   |                                          |

## **Grant funders and major donors**

Economic Development Board (EDB)  
Singapore

Foreign and Commonwealth Office

Future Energy Abu Dhabi

IDH Sustainable Trade Initiative

Innovate UK

Mitsubishi Corporation Foundation for  
Europe and Africa

Nesta

Power To Change

Rockefeller Foundation

The Barings Foundation

The C&A Foundation

The Calouste Gulbenkian Foundation

The Department for International  
Development

The Diageo Foundation

The Friends Provident Foundation

The Joseph Rowntree Charitable Trust

The Kimberly Clark Foundation

The Target Foundation

The Waterloo Foundation

WWF

Zoological Society of London

## **Other funders and collaborators**

Accelerating Sustainability Events  
Management

Agencia Portuguesa do Ambiente

Allianz Group

AVT Tea Services - London

Baxter Storey

Bayer Aktiengesellschaft

Bond

Calysta Inc.

Clorox/Burt's Bees

Colgate Palmolive Company

Community Energy Association (England)

Compliance and Risk

Consumers Association

Corporate Parity

Cotton Australia

Council for Energy Environment and Water

Cundall

CVS Health

Dartington Hall Trust

Dell

Department for Business, Energy &  
Industrial Strategy

Impossible Foods

InterfaceFlor India

Johnson & Johnson

Klepierre Group

KPMG

KR Foundation

Interserv

International Alumni Center Berlin

L'Oréal USA

Linton Park

Marlow Foods Ltd (Quorn)

MitOst

National Grid Transco: Warwick office

National Trust

New York Academy of Sciences

OCA Foundation

OuiShare

Oxfam GB

Oxford University Press

PricewaterhouseCoopers

Propela

East African Tea Trade Association  
Eastman Chemical  
Ecover Coordination Center  
Emilie Florenkowsky  
Environmental Data Interactive Exchange  
ESG Communications  
Evonik Industries  
European Risk Forum  
Finlay Extracts & Ingredients USA  
Gemma Drake (Individual)  
Gimimill

Goldsmiths College

Henkel Consumer Goods  
Honda Motor Co.  
Humane Society International/Europe  
Impact Hub Dubai

Reckitt Benckiser  
S&D Coffee & Tea  
Starbucks Coffee Company  
Schumacher College  
Sephora  
Seventh Generation  
Stockholm Resilience Centre  
Stockholm University  
The Soneva Group  
Henkel Consumer Goods  
Tarmac: Solihull branch  
Technical University of Denmark,  
Department of Chemical and Biochemical  
Engineering  
Transfair  
Unicef Nepal  
United Nations Global Compact  
Wal-Mart Stores

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE FORUM FOR THE FUTURE**

### **Opinion**

We have audited the financial statements of The Forum for the Future (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2017 which comprise the consolidated statement of financial activities, the group and parent charitable company balance sheets, the consolidated statement of cash flows and the 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 group's and of the parent charitable company's affairs as at 31 December 2017 and of the group's incoming resources and application of resources, including its income and expenditure, 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 and the Charities Act 2011.

### **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 group 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**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- The Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- The Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Other information**

The Trustees are responsible for the other information. The other information comprises the information included in the Trustees' 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.

In connection with our audit of the financial statements, 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 there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- The information given in the Trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements
- The Trustees' annual report has 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 group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' annual report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and Charities Act 2011 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- The parent charitable company financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of Trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit; or
- The Trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the Trustees' annual report and from the requirement to prepare a strategic report.

## **Responsibilities of Trustees**

As explained more fully in the statement of Trustees' responsibilities set out in the Trustees' annual report, the Trustees (who are also the directors of the parent charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

## **Auditor's responsibilities for the audit of the financial statements**

This report is made solely to the charitable company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees
- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the parent charitable company to cease to continue as a going concern
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Jonathan Orchard (Senior statutory auditor)

Date: 16 MAY 2018

for and on behalf of Sayer Vincent LLP, Statutory Auditor

Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006

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**Consolidated Statement of Financial Activities**  
*(incorporating an Income and Expenditure Account)*  
**For the year ended 31 December 2017**

|                                              | Note | Unrestricted<br>£'000 | Restricted<br>£'000 | 2017<br>Total<br>£'000 | 2016<br>Total<br>£'000 |
|----------------------------------------------|------|-----------------------|---------------------|------------------------|------------------------|
| <b>Income from:</b>                          |      |                       |                     |                        |                        |
| Donations                                    |      | 145                   | 25                  | 170                    | 143                    |
| Charitable activities                        | 2    | 3,660                 | 1,436               | 5,096                  | 5,050                  |
| <b>Total income</b>                          |      | <b>3,805</b>          | <b>1,461</b>        | <b>5,266</b>           | <b>5,193</b>           |
| <b>Expenditure on:</b>                       |      |                       |                     |                        |                        |
| Raising funds                                |      | 41                    | -                   | 41                     | 7                      |
| Charitable activities                        |      | 3,891                 | 1,168               | 5,059                  | 5,230                  |
| <b>Total expenditure</b>                     | 3    | <b>3,932</b>          | <b>1,168</b>        | <b>5,100</b>           | <b>5,237</b>           |
| <b>Net income/(expenditure) for the year</b> |      | <b>(127)</b>          | <b>293</b>          | <b>166</b>             | <b>(44)</b>            |
| Transfers between funds                      |      | 23                    | (23)                | -                      | -                      |
| <b>Net movement in funds</b>                 |      | <b>(104)</b>          | <b>270</b>          | <b>166</b>             | <b>(44)</b>            |
| <b>Reconciliation of funds:</b>              |      |                       |                     |                        |                        |
| Total funds brought forward                  |      | 604                   | 548                 | 1,152                  | 1,196                  |
| <b>Total funds carried forward</b>           |      | <b>500</b>            | <b>818</b>          | <b>1,318</b>           | <b>1,152</b>           |

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 19 to the financial statements.

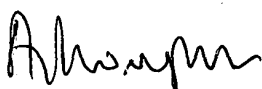
# Balance sheets

Company number: 2959712

As at 31 December 2017

|                                        | Note | The group<br>2017<br>£'000 | 2016<br>£'000       | The charity<br>2017<br>£'000 | 2016<br>£'000       |
|----------------------------------------|------|----------------------------|---------------------|------------------------------|---------------------|
| <b>Fixed assets</b>                    |      |                            |                     |                              |                     |
| Tangible fixed assets                  | 9    | 215                        | 164                 | 200                          | 144                 |
| Investments                            | 10   | -                          | -                   | 1                            | 1                   |
|                                        |      | <u>215</u>                 | <u>164</u>          | <u>201</u>                   | <u>145</u>          |
| <b>Current assets</b>                  |      |                            |                     |                              |                     |
| Debtors                                | 13   | 1,079                      | 1,205               | 1,176                        | 1,591               |
| Cash at bank and in hand               |      | <u>1,074</u>               | <u>740</u>          | <u>626</u>                   | <u>445</u>          |
|                                        |      | <u>2,153</u>               | <u>1,945</u>        | <u>1,802</u>                 | <u>2,036</u>        |
| <b>Liabilities</b>                     |      |                            |                     |                              |                     |
| Creditors: amounts due within one year | 14   | <u>1,050</u>               | <u>935</u>          | <u>757</u>                   | <u>858</u>          |
| <b>Net current assets</b>              |      | <u>1,103</u>               | <u>1,010</u>        | <u>1,045</u>                 | <u>1,178</u>        |
| Creditors: amounts due after one year  | 16   | -                          | 21                  | -                            | 21                  |
|                                        |      | <u>-</u>                   | <u>21</u>           | <u>-</u>                     | <u>21</u>           |
| <b>Total net assets</b>                | 18   | <u><u>1,318</u></u>        | <u><u>1,153</u></u> | <u><u>1,246</u></u>          | <u><u>1,302</u></u> |
| <b>The funds of the charity</b>        | 19   |                            |                     |                              |                     |
| Unrestricted income funds              |      |                            |                     |                              |                     |
| General funds                          |      | 500                        | 604                 | 429                          | 778                 |
| Restricted income funds                |      |                            |                     |                              |                     |
| In surplus                             |      | <u>818</u>                 | <u>548</u>          | <u>818</u>                   | <u>524</u>          |
| <b>Total charity funds</b>             |      | <u><u>1,318</u></u>        | <u><u>1,152</u></u> | <u><u>1,246</u></u>          | <u><u>1,302</u></u> |

Approved by the directors on 10 May 2018 and signed on their behalf by



Fiona Thompson  
Honorary Treasurer

# **Consolidated statement of cash flows**

**For the year ended 31 December 2017**

|                                                         | Note | 2017<br>£'000 | 2016<br>£'000 |
|---------------------------------------------------------|------|---------------|---------------|
| <b>Cash flows from operating activities</b>             | 20   |               |               |
| Net cash provided by operating activities               |      | 478           | 469           |
| <b>Cash flows from investing activities</b>             |      |               |               |
| Proceeds from the sale of fixed assets                  |      |               |               |
| Purchase of fixed assets                                |      | (119)         | (48)          |
| Net cash used in investing activities                   |      | (119)         | (48)          |
| <b>Cash flows from financing activities</b>             |      |               |               |
| Cash payments to repay finance leases                   |      | (25)          | (25)          |
| Net cash used in financing activities                   |      | (25)          | (25)          |
| <b>Change in cash and cash equivalents in the year</b>  |      | 334           | 396           |
| Cash and cash equivalents at the beginning of the year  |      | 740           | 344           |
| <b>Cash and cash equivalents at the end of the year</b> | 21   | <u>1,074</u>  | <u>740</u>    |

## Notes to the financial statements

### For the year ended 31 December 2017

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#### 1. Accounting policies

##### a) Statutory information

Forum for the Future is a charitable company limited by guarantee and is incorporated in England & Wales. The registered office address is Overseas House, 19-23 Ironmonger Row, London, EC1V 3QN.

##### b) Basis of accounting

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (September 2015) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

These financial statements consolidate the results of the charitable company and its wholly-owned subsidiaries Forum For The Future Asia Pacific Limited, Forum For The Future India Private Limited and Forum For The Future US Inc on a line by line basis. Transactions and balances between the charitable company and its subsidiaries have been eliminated from the consolidated financial statements. Balances between the companies are disclosed in the notes of the charitable company's balance sheet. Separate statements of financial activities, or income and expenditure accounts, for the subsidiaries are not presented because they have taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

##### c) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

##### d) Going concern

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

##### e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

##### f) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

## Notes to the financial statements

For the year ended 31 December 2017

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### 1. Accounting policies (continued)

#### g) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes. The designated funds are set aside at the discretion of the trustees and relate to the charity's policy on sustainability. The Sustainability Fund was to cover additional expenditure to avoid or offset the negative environmental impact of the charity's operations.

#### h) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- (i) Costs of raising funds relate to the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose
- (ii) Expenditure on charitable activities includes the costs of delivering services and educational activities undertaken to further the purposes of the charity and their associated support costs

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

#### i) Allocation of support costs

Infrastructure and support costs are apportioned across the Forum cost centres in line with the relative income. The type of costs that are allocated in this way include all office costs (rent, rates, asset hire, utilities, stationery, telephone, insurance, depreciation etc) and support cost centres (ie finance, IT, HR and office services).

#### j) Foreign exchange

Sales Invoices raised in foreign currencies are entered into the accounts at the day rate or in accordance with an exchange rate set in the contract, if applicable. The same treatment is applied to costs. Bank account balances, Trade debtors and Trade Creditors are revalued regularly throughout the year and at the year end.

#### k) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

## Notes to the financial statements

For the year ended 31 December 2017

### 1. Accounting policies (continued)

#### l) Tangible fixed assets

Tangible fixed assets are stated at cost.

Where fixed assets have been revalued, any excess between the revalued amount and the historic cost of the asset will be shown as a revaluation reserve in the balance sheet.

Depreciation is provided using the straight-line method at the following annual rates in order to write off each asset over its estimated useful life.

|                                                   |                                                                |
|---------------------------------------------------|----------------------------------------------------------------|
| Improvements to leasehold properties              | 20% on cost                                                    |
| Furniture and fittings                            | 20% on cost                                                    |
| Computer, office equipment & Software development | 20% on cost of software and 33.33% on cost of office equipment |

No item of equipment is capitalised where the purchase price is less than £500. A full year of depreciation is taken in the year of acquisition. All fixed assets more than six years old are treated as having been disposed of in the financial statements.

#### n) Debtors

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the net amount prepaid.

#### o) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

#### p) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

#### q) Pensions

The charity operates a group personal pension plan which is a direct contribution scheme. Contributions are charged to the SOFA in the periods to which they relate. The charity has no liability under the scheme other than for the payment of those contributions.

# Notes to the financial statements

For the year ended 31 December 2017

## 2. Income from charitable activities

|                                     |              |            | 2017  | 2016  |
|-------------------------------------|--------------|------------|-------|-------|
| (a) Funders                         | Unrestricted | Restricted | Total | Total |
|                                     | £'000        | £'000      | £'000 | £'000 |
| Central government                  | 39           | 173        | 212   | 335   |
| Local and regional government       | 41           | -          | 41    | 19    |
| Corporate and corporate foundations | 3,128        | 239        | 3,367 | 3,527 |
| Higher education                    | 55           | -          | 55    | 82    |
| Not-for-profit organisations        | 182          | 79         | 261   | 220   |
| Trusts and foundations              | 184          | 945        | 1,129 | 860   |
| Individuals                         | 31           | -          | 31    | 7     |
| Total                               | 3,660        | 1,436      | 5,096 | 5,050 |

|                      |              |            | 2017  | 2016  |
|----------------------|--------------|------------|-------|-------|
| (b) Delivery teams   | Unrestricted | Restricted | Total | Total |
|                      | £'000        | £'000      | £'000 | £'000 |
| Food                 | 666          | 116        | 782   | 937   |
| Energy               | 427          | 7          | 434   | 391   |
| Network              | 264          | -          | 264   | 431   |
| Sustainable Business | 383          | 176        | 559   | 735   |
| Systems Innovation   | 119          | 116        | 235   | 160   |
| Asia Pacific         | 584          | 9          | 593   | 541   |
| India                | 88           | 37         | 125   | 240   |
| US                   | 741          | 149        | 890   | 501   |
| Masters              | -            | -          | -     | 33    |
| Sustainable Shipping | 40           | -          | 40    | 28    |
| Learning programme   | 189          | 127        | 316   | 94    |
| Other projects       | 159          | 699        | 858   | 959   |
| Total                | 3,660        | 1,436      | 5,096 | 5,050 |

Notes to the financial statements

For the year ended 31 December 2017

3. Analysis of expenditure

|                                        | Cost of raising<br>funds | Delivery     | Communications | Governance<br>Costs | Support Costs | 2017         | 2016         |
|----------------------------------------|--------------------------|--------------|----------------|---------------------|---------------|--------------|--------------|
|                                        | £'000                    | £'000        | £'000          | £'000               | £'000         | £'000        | £'000        |
| Staff costs                            |                          |              |                |                     |               |              |              |
| - emoluments and social security costs | 18                       | 2,669        | 87             | -                   | 510           | 3,284        | 3,685        |
| - other                                | 21                       | 21           | 4              | -                   | 91            | 137          | 80           |
| Publishing                             | -                        | 73           | 19             | -                   | 1             | 93           | 59           |
| Travel and subsistence                 | -                        | 193          | 5              | 1                   | 33            | 232          | 164          |
| Scholars                               | -                        | -            | -              | -                   | -             | -            | 23           |
| Consultancy                            | -                        | 339          | 7              | -                   | 76            | 422          | 403          |
| Events                                 | 1                        | 45           | -              | -                   | 11            | 57           | 77           |
| Depreciation                           | -                        | 5            | -              | -                   | 63            | 68           | 73           |
| Office costs                           | -                        | 305          | 2              | -                   | 156           | 463          | 401          |
| Other costs                            | 1                        | 156          | 44             | 32                  | 111           | 344          | 172          |
|                                        | 41                       | 3,806        | 168            | 33                  | 1,052         | 5,100        | 5,137        |
| Governance costs                       | -                        | 33           | -              | (33)                | -             | -            | -            |
| Support costs                          | -                        | 1,052        | -              | -                   | (1,052)       | -            | -            |
| Contribution to US operations (note 7) | -                        | -            | -              | -                   | -             | -            | 100          |
| <b>Total expenditure 2017</b>          | <b>41</b>                | <b>4,891</b> | <b>168</b>     | <b>-</b>            | <b>-</b>      | <b>5,100</b> |              |
| <b>Total expenditure 2016</b>          | <b>7</b>                 | <b>4,957</b> | <b>274</b>     | <b>-</b>            | <b>-</b>      |              | <b>5,237</b> |



# Notes to the financial statements

For the year ended 31 December 2017

| 4. Net income / (expenditure) for the year                         | 2017<br>£'000 | 2016<br>£'000 |
|--------------------------------------------------------------------|---------------|---------------|
| This is stated after charging/ (crediting):                        |               |               |
| Depreciation                                                       | 68            | 73            |
| Operating lease rentals:                                           |               |               |
| I property                                                         | 246           | 167           |
| I other                                                            | 18            | 14            |
| Forum for the Future Group auditors' remuneration (excluding VAT): |               |               |
| I audit fee                                                        | 18            | 15            |
| I other services                                                   | 1             | -             |
| Forum for the Future Asia Pacific Limited auditors' remuneration:  |               |               |
| I audit                                                            | 4             | 3             |
| I other services                                                   | -             | 2             |
| Forum for the Future India Private Limited auditors' remuneration: |               |               |
| I audit                                                            | 2             | 1             |
| Forum for the Future US Inc. auditors' remuneration:               |               |               |
| I audit                                                            | 7             | 7             |
| Foreign exchange gains or losses                                   | (54)          | (55)          |

## Notes to the financial statements

### For the year ended 31 December 2017

#### 5. Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

|                                                                 | 2017<br>£'000 | 2016<br>£'000 |
|-----------------------------------------------------------------|---------------|---------------|
| Staff costs were as follows:                                    |               |               |
| Salaries and wages                                              | 2,766         | 3,049         |
| Redundancy and termination costs                                | -             | 18            |
| Social security costs                                           | 248           | 287           |
| Employer's contribution to defined contribution pension schemes | 270           | 331           |
|                                                                 | <b>3,284</b>  | <b>3,685</b>  |

The following number of employees received employee benefits (excluding employers national insurance and employer pension costs) during the year between:

|                     | 2017<br>£'000 | 2016<br>£'000 |
|---------------------|---------------|---------------|
| £60,000 - £69,999   | 3             | 4             |
| £80,000 - £89,999   | 1             | 1             |
| £90,000 - £99,999   | 1             | 1             |
| £100,000 - £110,000 | 2             | 1             |

The total employee benefits including employers national insurance and pension contributions of the senior management team were £765,246 (2016: £729,000).

|                  | Salary and pension |                | Expenses and travel costs for trustee meetings |               |
|------------------|--------------------|----------------|------------------------------------------------|---------------|
|                  | 2017<br>£'000      | 2016<br>£'000  | 2017<br>£'000                                  | 2016<br>£'000 |
| Volker Beckers   | -                  | -              | 597                                            | 1,449         |
| Sara Parkin      | -                  | 15,605         | -                                              | -             |
| Jonathon Porritt | 116,312            | 103,506        | -                                              | -             |
|                  | <b>116,312</b>     | <b>119,110</b> | <b>597</b>                                     | <b>1,449</b>  |

Jonathon Porritt is continuously paid for his services as an employee of Forum for the Future with the consent of the Charity Commission. Sara Parkin was paid in 2016.

The total employee benefits including employer national insurance and pension for key management personnel was £885,591 (2016: £862,000). Key management personnel are defined as the senior management team (SMT) and consist of the Chief Executive Officer, Chief Operating Officer, Chief Development and Communications Officer, Director of System Change, Learning and Community, Director of Futures and Projects and the Director, US.

#### 6 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was as follows:

|                | 2017<br>No. | 2016<br>No. |
|----------------|-------------|-------------|
| Raising funds  | 1           | 1           |
| Delivery       | 40          | 51          |
| Communications | 9           | 12          |
| Support        | 13          | 17          |
| Governance     | 2           | 2           |
|                | <b>65</b>   | <b>83</b>   |

## Notes to the financial statements

### For the year ended 31 December 2017

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#### 7. Related party transactions

Jonathon Porritt is a non-executive director of Willmott Dixon Holdings Ltd, from whom income of £20,000 was received during the year (2016: £25,513).

The Sustainable Shipping Initiative (SSI) was spun off from Forum UK in 2013. Stephanie Draper is the Chief Change Officer of Forum and the Chair of SSI. Forum charge SSI an annual management charge of £27,594 for the use of office space and overheads. In 2017 SSI bought services from Forum UK of £12,568 (2016: £7,489) and has a year end debtor balance with the group of £7,868 (2016: Nil).

£30,000 donation was received in 2017 from Keith Clarke, the Chair.

Forum For The Future has taken the exemptions conferred by paragraph 33 1A of FRS 102 in respect of disclosing transactions with group entities on the basis that the subsidiaries are wholly controlled and group accounts are prepared.

#### 8. Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. None of the charity's trading subsidiaries have a liability for income tax for 2017.

# Notes to the financial statements

For the year ended 31 December 2017

## 9. Tangible fixed assets

### The group

|                          | Improvements to<br>Leasehold<br>Property<br>£'000 | Furniture<br>and fittings<br>£'000 | Computer, office<br>equipment & Software<br>Development<br>£'000 | Total<br>£'000 |
|--------------------------|---------------------------------------------------|------------------------------------|------------------------------------------------------------------|----------------|
| <b>Cost</b>              |                                                   |                                    |                                                                  |                |
| At the start of the year | 63                                                | 19                                 | 345                                                              | 428            |
| Additions in year        | -                                                 | -                                  | 119                                                              | 119            |
| At the end of the year   | 63                                                | 19                                 | 464                                                              | 547            |
| <b>Depreciation</b>      |                                                   |                                    |                                                                  |                |
| At the start of the year | 63                                                | 18                                 | 183                                                              | 264            |
| Charge for the year      | -                                                 | 1                                  | 67                                                               | 68             |
| At the end of the year   | 63                                                | 19                                 | 250                                                              | 332            |
| <b>Net book value</b>    |                                                   |                                    |                                                                  |                |
| At the end of the year   |                                                   |                                    | 214                                                              | 215            |
| At the start of the year |                                                   | 1                                  | 162                                                              | 164            |

All of the above assets are used for charitable purposes.

### The charity

|                          | Improvements to<br>Leasehold<br>Property<br>£'000 | Furniture<br>and fittings<br>£'000 | Computer and office<br>equipment<br>£'000 | Total<br>£'000 |
|--------------------------|---------------------------------------------------|------------------------------------|-------------------------------------------|----------------|
| <b>Cost</b>              |                                                   |                                    |                                           |                |
| At the start of the year | 63                                                | 19                                 | 319                                       | 401            |
| Additions in year        | -                                                 | -                                  | 119                                       | 119            |
| At the end of the year   | 63                                                | 19                                 | 438                                       | 520            |
| <b>Depreciation</b>      |                                                   |                                    |                                           |                |
| At the start of the year | 63                                                | 18                                 | 176                                       | 257            |
| Charge for the year      | -                                                 | 1                                  | 62                                        | 63             |
| At the end of the year   | 63                                                | 19                                 | 238                                       | 320            |
| <b>Net book value</b>    |                                                   |                                    |                                           |                |
| At the end of the year   | -                                                 | -                                  | 200                                       | 200            |
| At the start of the year | -                                                 | 1                                  | 143                                       | 144            |

All of the above assets are used for charitable purposes.

## Notes to the financial statements

### For the year ended 31 December 2017

#### 10. Investments

Group investments relate to two £1 shares in GF Limited set up as a trading company by the charity but which has never traded and remains dormant.

Forum for the Future India Private Limited was incorporated as a subsidiary company limited by shares on 25 March 2014. The allocated shares were subscribed to in 2015 at a cost of £1,094.

Forum for the Future US, Inc. was incorporated on July 13, 2015. On 1 May 2016 it became a subsidiary undertaking.

Forum for the Future Asia Pacific Limited was incorporated as a company limited by guarantee on 19 November 2013. The charitable company is the sole member though holds no investment. Forum For The Future Asia Pacific acquired charitable status in Singapore on 26 January 2016.

#### 11. Subsidiary undertakings

##### Forum For The Future Asia Pacific Ltd

The charitable company is the sole member of Forum for the Future Asia Pacific Limited, a company limited by guarantee, registered in Singapore. All activities have been consolidated on a line by line basis in the statement of financial activities. The company accounts for Forum for the Future Asia Pacific Limited are audited separately by Moore Stephens LLP. The figures are then consolidated into the Group accounts.

|                                                         | 2017<br>£'000 | 2016<br>£'000 |
|---------------------------------------------------------|---------------|---------------|
| Turnover                                                | 755           | 475           |
| Cost of sales                                           | 373           | 496           |
| Gross profit/(loss)                                     | 382           | (21)          |
| Administrative expenses                                 | 172           | 120           |
| Profit/(loss) for financial year                        | 210           | (141)         |
| The aggregate of the assets, liabilities and funds was: |               |               |
| Assets                                                  | 83            | 534           |
| Liabilities                                             | (47)          | (708)         |
| Funds/(Deficit)                                         | 36            | (174)         |

## Notes to the financial statements

### For the year ended 31 December 2017

#### 11 Subsidiary undertakings

##### Forum For The Future India Private Limited

The charitable company owns 99.99% of the issued ordinary share capital of Forum for the Future India Private Limited, a company limited by shares and registered in India.

|                                                         | 2017<br>£'000 | 2016<br>£'000 |
|---------------------------------------------------------|---------------|---------------|
| Turnover                                                | 166           | 100           |
| Cost of sales                                           | 85            | 59            |
| Gross profit                                            | 81            | 41            |
| Administrative expenses                                 | 79            | 23            |
| Profit / (loss) for financial year                      | 2             | 18            |
| The aggregate of the assets, liabilities and funds was: |               |               |
| Assets                                                  | 288           | 174           |
| Liabilities                                             | (300)         | (187)         |
| Share Capital                                           | (1)           | (1)           |
| Deficit                                                 | (13)          | (14)          |

##### Forum For The Future US Inc

The US operation operated as an independent 501 c(3) and is consolidated as part of the Forum Group.

|                                                         | 2017<br>£'000 | 2016<br>£'000 |
|---------------------------------------------------------|---------------|---------------|
| Turnover                                                | 949           | 631           |
| Cost of sales                                           | 561           | 396           |
| Gross profit                                            | 388           | 235           |
| Administrative expenses                                 | 347           | 221           |
| Profit on ordinary activities                           | 41            | 14            |
| Foreign exchange (losses) /gains                        | (30)          | 24            |
| Profit for financial year                               | 11            | 38            |
| The aggregate of the assets, liabilities and funds was: |               |               |
| Assets                                                  | 397           | 572           |
| Liabilities                                             | (348)         | (534)         |
| Funds                                                   | 49            | 38            |

#### 12. Parent charity

The parent charity's gross income and the results for the year are disclosed as follows:

|                             | 2017<br>£'000 | 2016<br>£'000 |
|-----------------------------|---------------|---------------|
| Gross income                | 3,396         | 4,112         |
| (Loss) /Profit for the year | (56)          | 40            |

## Forum for the Future

### Notes to the financial statements

For the year ended 31 December 2017

#### 13. Debtors

|                               | The group    |              | The charity  |              |
|-------------------------------|--------------|--------------|--------------|--------------|
|                               | 2017         | 2016         | 2017         | 2016         |
|                               | £'000        | £'000        | £'000        | £'000        |
| Trade debtors                 | 590          | 658          | 382          | 386          |
| Other debtors and prepayments | 167          | 222          | 87           | 700          |
| Amounts due from subsidiaries | -            | -            | 402          | 285          |
| Accrued income                | 322          | 325          | 305          | 220          |
|                               | <u>1,079</u> | <u>1,205</u> | <u>1,176</u> | <u>1,591</u> |

#### 14. Creditors: amounts due within one year

|                                  | The group    |            | The charity |            |
|----------------------------------|--------------|------------|-------------|------------|
|                                  | 2017         | 2016       | 2017        | 2016       |
|                                  | £'000        | £'000      | £'000       | £'000      |
| Amounts due under finance leases | 21           | 25         | 21          | 25         |
| Trade creditors                  | 270          | 211        | 228         | 183        |
| Other creditors                  | 165          | 84         | 119         | 53         |
| Amounts due to subsidiaries      | -            | -          | -           | 223        |
| Accruals                         | 109          | 45         | 84          | 28         |
| Deferred income                  | 485          | 570        | 305         | 346        |
|                                  | <u>1,050</u> | <u>935</u> | <u>757</u>  | <u>858</u> |

#### 15. Deferred income

Deferred income comprises programme income received from funders in advance and membership and partnership income received in advance.

|                                       | The group  |            | The charity |            |
|---------------------------------------|------------|------------|-------------|------------|
|                                       | 2017       | 2016       | 2017        | 2016       |
|                                       | £'000      | £'000      | £'000       | £'000      |
| Balance at the beginning of the year  | 570        | 512        | 347         | 475        |
| Amount released to income in the year | (570)      | (512)      | (347)       | (475)      |
| Amount deferred in the year           | 485        | 570        | 305         | 347        |
|                                       | <u>485</u> | <u>570</u> | <u>305</u>  | <u>347</u> |

Balance at the end of the year

### Notes to the financial statements

For the year ended 31 December 2017

#### 16. Creditors: amounts falling due after one year

|                                  | The group |           | The charity |           |
|----------------------------------|-----------|-----------|-------------|-----------|
|                                  | 2017      | 2016      | 2017        | 2016      |
|                                  | £'000     | £'000     | £'000       | £'000     |
| Amounts due under finance leases | -         | 21        | -           | 21        |
|                                  | <u>-</u>  | <u>21</u> | <u>-</u>    | <u>21</u> |

The finance lease is secured against the assets to which it relates.

## Forum for the Future

### Notes to the financial statements

#### For the year ended 31 December 2017

#### 17. Pension scheme

Forum For The Future UK operates a contract based, individual money purchase arrangement with Aviva. As at 31 December 2017, £68,000 (2016: £nil) was owed for the September to December contributions, but paid within 30 days. There were 52 (2016: 58) members of staff enrolled on the pension scheme at the end of December 2017. Pension arrangements in APAC for Singaporeans are obligatory statutory payments to the Central Provident Fund. In the US, the pension is arranged with TransAmerica and is a defined contribution scheme.

#### 18a Current year analysis of group net assets between funds

|                                          | Restricted<br>funds<br>£'000 | General<br>funds<br>£'000 | Total funds<br>£'000 |
|------------------------------------------|------------------------------|---------------------------|----------------------|
| Tangible fixed assets                    | -                            | 215                       | 215                  |
| Net current assets                       | 818                          | 286                       | 1,103                |
| <b>Net assets at the end of the year</b> | <b>818</b>                   | <b>500</b>                | <b>1,318</b>         |

#### 18b Prior year analysis of group net assets between funds

|                                          | Restricted<br>£'000 | General<br>£'000 | Total funds<br>£'000 |
|------------------------------------------|---------------------|------------------|----------------------|
| Tangible fixed assets                    | -                   | 164              | 164                  |
| Net current assets                       | 548                 | 440              | 988                  |
| <b>Net assets at the end of the year</b> | <b>548</b>          | <b>604</b>       | <b>1,152</b>         |



# Forum for the Future

## Notes to the financial statements

For the year ended 31 December 2017

### 19a Current year movements in funds

|                                     | At the start<br>of the year<br>£'000 | Income and gains<br>£'000 | Expenditure and<br>losses<br>£'000 | Transfers<br>£'000 | At the end of<br>the year<br>£'000 |
|-------------------------------------|--------------------------------------|---------------------------|------------------------------------|--------------------|------------------------------------|
| <b>Restricted funds:</b>            |                                      |                           |                                    |                    |                                    |
| <i>Delivery:</i>                    |                                      |                           |                                    |                    |                                    |
| C&A Foundation                      | 247                                  | 287                       | (147)                              | -                  | 387                                |
| EU-InnovatE                         | 45                                   | (45)                      | -                                  | -                  | -                                  |
| Baring Foundation                   | 121                                  | 250                       | (252)                              | -                  | 119                                |
| Calouste Gulbenkian                 | 16                                   | 38                        | (29)                               | -                  | 25                                 |
| Waterloo Foundation                 | 20                                   | 10                        | (20)                               | -                  | 10                                 |
| Joseph Rowntree Charitable<br>Trust | 18                                   | 10                        | (28)                               | -                  | -                                  |
| School of System Change             | 68                                   | 209                       | (161)                              | -                  | 116                                |
| Cotton Campaign                     | -                                    | 112                       | (112)                              | -                  | -                                  |
| Protein Campaign                    | -                                    | 147                       | (84)                               | -                  | 63                                 |
| Tea Campaign                        | 11                                   | 15                        | (19)                               | -                  | 7                                  |
| DFID                                | -                                    | 37                        | (37)                               | -                  | -                                  |
| Nesta                               | -                                    | 93                        | (70)                               | (23)               | -                                  |
| Community Energy Asset<br>Bank      | -                                    | 75                        | (75)                               | -                  | -                                  |
| Wise Minds                          | -                                    | 19                        | (19)                               | -                  | -                                  |
| Power To Change                     | -                                    | 93                        | (6)                                | -                  | 87                                 |
| Innovate UK                         | -                                    | 84                        | (84)                               | -                  | -                                  |
| Zoological Society London           | -                                    | 10                        | (10)                               | -                  | -                                  |
| Other                               | 2                                    | 17                        | (15)                               | -                  | 4                                  |
| <b>Total restricted funds</b>       | <b>548</b>                           | <b>1,461</b>              | <b>(1,168)</b>                     | <b>(23)</b>        | <b>818</b>                         |
| <b>Unrestricted funds:</b>          |                                      |                           |                                    |                    |                                    |
| General funds                       | 604                                  | 3,805                     | (3,932)                            | 23                 | 500                                |
| <b>Total funds</b>                  | <b>1,152</b>                         | <b>5,266</b>              | <b>(5,100)</b>                     | <b>-</b>           | <b>1,318</b>                       |

## Forum for the Future

### Notes to the financial statements

#### For the year ended 31 December 2017

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##### Transfer between Funds:

There were no restrictions to transfer balances on Nesta to General Funds

##### Purposes of restricted funds

The restricted funds are monies donated to Forum for the Future as grants which require specific reporting.

- (i) C&A Foundation grant, represents the second tranche of core support for a total of £437K (£287K Restricted and £150K Unrestricted). The restricted funding of £287k over 13 months is to continue to strengthen Forum For The Future to create system change in the apparel industry and beyond.
- (ii) EU-InnovatE: This three-year project which ended in December 2016 was funded by the European Commission to investigate the active roles of consumers in shaping sustainable lifestyles and the transition to a green economy in Europe. At the end of the project we had underspent on the funds received by Euros 52,598 which we returned in 2017.
- (iii) The Baring Foundation grant to run the Secretariat to the Independent Inquiry into the Future of Civil Society totals £500K over 19 months. £250K of this will be paid over to partners working on the project.
- (iv) Calouste Gulbenkian has awarded funds for two projects. (i) for a senior member of staff to participate in the Calouste Gulbenkian Foundation's Marine CoLABoration initiative (ii) The LAB Learning Coach programme to support the coordination and development of the Marine CoLABoration over two years.
- (v) The Waterloo Foundation: This grant is a contribution towards the costs of developing a rural energy master plan for a pilot community in Wales.
- (vi) The Joseph Rowntree Charitable Trust: This grant is for £60K over two years to be invested in developing and maintaining the Futures Centre platform.
- (vii) The School of System Change: The Amex, Mitsubishi and Garfield Foundations have all funded our work to develop the School of System Change.
- (viii) The Cotton campaign is working to identify and accelerate collaborative solutions for the systemic challenges facing the future of the tea industry and has a number of funders.
- (ix) The Protein campaign is working to identify and accelerate collaborative solutions for the systemic challenges facing the future of the tea industry and has a number of funders.
- (x) The Tea 2030 campaign is working to identify and accelerate collaborative solutions for the systemic challenges facing the future of the tea industry and has a number of funders.
- (xi) DfID: Forum had secured a £219K grant for India's Decentralised Energy Future project to undertake the scoping phase and programme co-ordination for the Ministry of New and Renewable Energy in India. This work was completed in 2017.
- (xii) The grant from Nesta was to support them in designing a Challenge Prize in Aquaculture for Global Development in order to address market failures in aquaculture in India and Bangladesh. This work was completed in 2017.
- (xiii) The Community Energy Asset Bank was supported by a grant from Friends Provident in order to connect land owners and local groups in order to maximise the use of their carbon and energy assets.
- (xiv) The Wise Minds project was funded by the Friends Provident Foundation (FPF) in order to convene a group of industry and political leaders who until recently held very senior positions at the very top of the energy sector. Through a group discussion and one-to-one interviews they have shared their expertise and wisdom in order to provide insight into future possibilities.
- (xv) Power to Change awarded a grant to review the future of community business.
- (xvi) The Innovate UK Technology Strategy Board awarded a grant to work on the Integrated transport local authority solutions project - The Smarter Travel Package. This work started in 2016 and will continue through to mid 2018.
- (xvii) The grant from the Zoological Society London is to support the #oneless campaign which is a collaboration striving to reduce single use plastic water bottles in London.

# Forum for the Future

## Notes to the financial statements

For the year ended 31 December 2017

### 19b Prior year movements in funds

|                                 | At the start<br>of the year<br>£'000 | Income and<br>gains<br>£'000 | Expenditure<br>and losses<br>£'000 | Transfers<br>£'000 | At the end of<br>the year<br>£'000 |
|---------------------------------|--------------------------------------|------------------------------|------------------------------------|--------------------|------------------------------------|
| <b>Restricted funds:</b>        |                                      |                              |                                    |                    |                                    |
| <i>Delivery:</i>                |                                      |                              |                                    |                    |                                    |
| C&A Foundation                  | -                                    | 355                          | (108)                              | -                  | 247                                |
| EU-Innovate                     | 139                                  | -                            | (94)                               | -                  | 45                                 |
| Baring Foundation               | -                                    | 125                          | (4)                                | -                  | 121                                |
| Calouste Gulbenkian             | 6                                    | 59                           | (49)                               | -                  | 16                                 |
| DFID                            | -                                    | 129                          | (129)                              | -                  | -                                  |
| Tea Campaign                    | -                                    | 112                          | (101)                              | -                  | 11                                 |
| Waterloo Foundation             | -                                    | 25                           | (5)                                | -                  | 20                                 |
| EDB Grant                       | -                                    | 40                           | (40)                               | -                  | -                                  |
| Joseph Rowntree Charitable      | 15                                   | 30                           | (27)                               | -                  | 18                                 |
| Shell Foundation                | -                                    | 10                           | (10)                               | -                  | -                                  |
| Innovate UK                     | -                                    | 22                           | (22)                               | -                  | -                                  |
| Nesta                           | -                                    | 10                           | (10)                               | -                  | -                                  |
| WWF-UK                          | -                                    | 6                            | (6)                                | -                  | -                                  |
| School of System Change         | -                                    | 85                           | (41)                               | -                  | 44                                 |
| US funders                      | -                                    | 76                           | (52)                               | -                  | 24                                 |
| Other                           | -                                    | 23                           | (21)                               | -                  | 2                                  |
| <b>Total restricted funds</b>   | <b>160</b>                           | <b>1,107</b>                 | <b>(719)</b>                       | <b>-</b>           | <b>548</b>                         |
| <b>Unrestricted funds:</b>      |                                      |                              |                                    |                    |                                    |
| <i>Designated funds:</i>        |                                      |                              |                                    |                    |                                    |
| Sustainability Fund             | 13                                   | -                            | -                                  | (13)               | -                                  |
| <b>General funds</b>            | <b>1,024</b>                         | <b>4,086</b>                 | <b>(4,519)</b>                     | <b>13</b>          | <b>604</b>                         |
| <b>Total unrestricted funds</b> | <b>1,037</b>                         | <b>4,086</b>                 | <b>(4,519)</b>                     | <b>-</b>           | <b>604</b>                         |
| <b>Total funds</b>              | <b>1,197</b>                         | <b>5,193</b>                 | <b>(5,238)</b>                     | <b>-</b>           | <b>1,152</b>                       |

## Forum for the Future

### Notes to the financial statements

#### For the year ended 31 December 2017

#### 20. Reconciliation of net income/ (expenditure) to net cash flow from operating activities

|                                                                                       | 2017<br>£'000 | 2016<br>£'000 |
|---------------------------------------------------------------------------------------|---------------|---------------|
| Net income/ (expenditure) for the year (as per the statement of financial activities) | 166           | (44)          |
| Depreciation charges                                                                  | 68            | 72            |
| Interest receivable                                                                   | (1)           | -             |
| Decrease in debtors                                                                   | 126           | 629           |
| Increase/(decrease) in creditors                                                      | 119           | (188)         |
| <b>Net cash provided by operating activities</b>                                      | <b>478</b>    | <b>469</b>    |

#### 21. Operating lease commitments

The group's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

|                    | Property      |               | Equipment     |               |
|--------------------|---------------|---------------|---------------|---------------|
|                    | 2017<br>£'000 | 2016<br>£'000 | 2017<br>£'000 | 2016<br>£'000 |
| Less than one year | 86            | 4             | -             | -             |
| One to five years  | 150           | 488           | 38            | 52            |
|                    | <b>236</b>    | <b>492</b>    | <b>38</b>     | <b>52</b>     |

This is the same for both the charity and the group.

#### 22. Capital commitments

At the balance sheet date, the group had not committed to any capital expenditure (2016: £nil).

#### 23. Contingent assets or liabilities

None

#### 24. Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

**The Forum for the Future**

**Notes to the financial statements**

**For the year ended 31 December 2017**

**Note 25. Detailed comparatives for the statement of financial activities**

|                                              | Unrestricted<br>£'000 | Restricted<br>£'000 | 2016<br>Total<br>£'000 |
|----------------------------------------------|-----------------------|---------------------|------------------------|
| <b>Income from:</b>                          |                       |                     |                        |
| Donations                                    | 143                   | -                   | 143                    |
| Charitable activities                        | 3,943                 | 1,107               | 5,050                  |
| <b>Total income</b>                          | <b>4,086</b>          | <b>1,107</b>        | <b>5,193</b>           |
| <b>Expenditure on:</b>                       |                       |                     |                        |
| Raising funds                                | 7                     | -                   | 7                      |
| Charitable activities                        | 4,512                 | 718                 | 5,230                  |
| <b>Total expenditure</b>                     | <b>4,519</b>          | <b>718</b>          | <b>5,237</b>           |
| <b>Net (expenditure)/income for the year</b> | <b>(433)</b>          | <b>389</b>          | <b>(44)</b>            |
| <b>Reconciliation of funds:</b>              |                       |                     |                        |
| Total funds brought forward                  | 1,037                 | 159                 | 1,196                  |
| <b>Total funds carried forward</b>           | <b>604</b>            | <b>548</b>          | <b>1,152</b>           |