

ANNUAL REPORT

AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018



**FORUM
FOR THE
FUTURE**



Forum for the Future is a leading international sustainability non-profit with offices in London, New York, Singapore and Mumbai.

We specialise in addressing critical global challenges by catalysing change in key systems. For over 20 years, we've been working in partnership with business, governments and civil society to accelerate the shift toward a sustainable future.

Together we are reinventing the way the world works.

This annual report gives an overview of our ongoing work to create a fairer future and benefit for all.

Find out more at www.forumforthefuture.org

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MESSAGE FROM THE CHAIR AND CHIEF EXECUTIVE

RESPONDING TO A CLIMATE CRISIS

Over the last 12 months, the world has woken up to a grave realisation: climate breakdown and a deep ecological crisis are already underway.

Extreme and unpredictable weather, sea-level rise, disruption of harvests, mass migration: we are only beginning to see the consequences of climate change. The science is clear and as we approach the 2020s, there's no denying that the world is set for turbulent, challenging and unprecedented times. We're currently on an unsustainable trajectory threatening to undermine years of social and economic progress.

We've recently seen this fuel social unrest, as people take to the streets to demand urgent and decisive action of their governments – particularly younger generations who are rightly challenging the status quo. Add to this an increasing appetite for cross-sector innovation, new technologies, changes to longstanding business strategies in order to tackle the root causes of sustainability issues, and we have a growing global movement that promises to meet the climate crisis head on.

But how can we capitalise on this to ensure interventions have impact with the scale, longevity and pace needed? All the players in a system – from businesses and NGOs to civil society and government – have a role to play in creating change, but they mustn't act in isolation. At Forum, we are uniquely placed to apply systems change and futures practice to deliver impact and truly transformational change.

2018 saw us focus on three global challenges: sustainable nutrition, sustainable value chains and livelihoods, and keeping global warming to 1.5°C. We've continued to build capacity for systems change and aid understanding of

how the world around us is changing. This has delivered progress in understanding and creating the need to re-balance protein in diets, scaling sustainable animal feed, educating on the routes to sustainable cotton, putting power back into community hands, and in taking our innovative School of System Change into new markets. This report outlines these and other examples of where our work is making a difference.

Within Forum, we've continued our focus on operational efficiency – revamping our systems to ensure we have the right skills in the right place and with the right tools to deliver impact. Alongside adopting smarter, more standardised operational processes, we re-launched our organisational values. Shaped by our international teams, our values underpin our culture and reflect the way we want to work: we aim to be inquisitive, adaptive, courageous and empathetic in our approach, respecting those we work with and taking a playful and creative approach to learning.

Meanwhile, our ongoing ambition to become a truly international organisation has driven our continued organisational investment outside the UK. With offices in London, Singapore, Mumbai and New York, we are strengthening our market presence and building our profile, aided in part by our new, more distinctive brand identity, launched in 2018.

Forum's work is only possible thanks to the deep, trusted relationships we have with leaders across business, government agencies, civil society organisations, trusts, foundations and more. We are extremely thankful for your ongoing support and look forward to continuing our work together to reinvent the way the world works.



Keith Clarke C.B.E.
Chair, Forum for the Future
24 June 2019



Dr Sally Uren O.B.E.
Chief Executive, Forum for the Future
24 June 2019

TRUSTEE 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 2018, 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. This report incorporates the Companies Act 2006 strategic report requirements.

OVERVIEW – OUR MISSION

Poverty, malnutrition, inequality, crashing biodiversity, civil unrest: the world today is facing complex challenges because our fundamental systems are broken.

Climate change has emerged as the defining issue of our times, with climate breakdown and ecological crisis already underway. Tackling such intricate, complex and significant challenges cannot be achieved by any one party alone or by isolated and incremental changes that, collectively, do not add up. While some progress has been made, people lack the capacity and/or incentives to respond, and many of the solutions that are being delivered lack the scale and pace required.

That is why Forum for the Future's mission is to address critical global challenges by catalysing change in key systems – from food to apparel, energy to shipping. For over 20 years, we have been working in partnership with business, governments and civil society to accelerate the shift towards a sustainable future.

STRATEGIC GOALS AND HOW WE WORK

Our three overarching strategic goals are to:

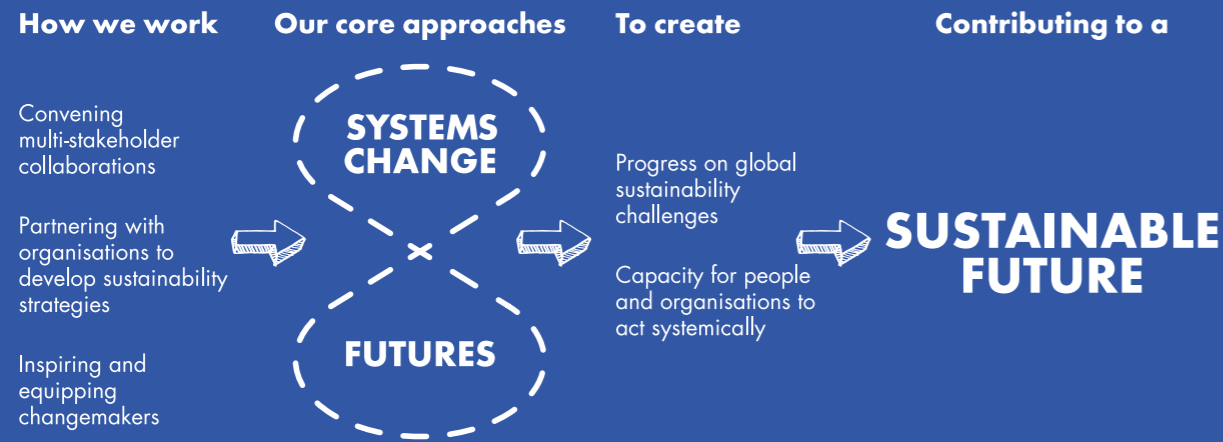
- deliver progress on complex sustainability challenges within areas of high change potential;
- inspire and equip people and organisations to deliver systemic change for sustainability;
- contribute to demonstrable progress in shaping a sustainable future.

From offices in London, New York, Singapore and Mumbai, we are delivering these goals by:

- convening transformational multi-stakeholder collaborations to drive change;
- partnering with organisations to help them develop their systems-changing strategies and lead by example;
- building a global community of pioneers and change-makers.



OUR THEORY OF CHANGE



Forum is focused on addressing three key global challenges: sustainable nutrition, sustainable livelihoods and value chains, and keeping the world within 1.5°C net global warming. We do this by building the capacity for systems change and understanding what's emerging in the world around us.

FORUM IS UNIQUELY PLACED TO DELIVER

We have deep expertise in innovating solutions and as a trusted convener, we bring together multi-stakeholder collaborations to deliver impact at scale. Our extensive partnerships and trusted relationships with leading global businesses, government agencies, NGOs, trusts and foundations allow us to challenge, ask the right questions, galvanise efforts and ensure focus is where it's needed most: on areas with genuine potential for lasting, transformative change.

As important to what we do is the way we work and in 2018, Forum launched a new set of organisational values that underpins our culture. We are courageous - rising to the urgency and scale of the sustainability challenges we face, adaptive - constantly sensing the world around us and changing for maximum impact, and empathetic - understanding ourselves as connected to others and embedded in wider ecosystems. We are also inquisitive - using inquiry to diagnose and solve complexity, playful in our learning and creativity, and respectful - building trust-based relationships that drive constructive action.

Our leading-edge programmes and values-driven approach are equipping change-makers to tackle the challenges they face and together, we are reinventing the way the world works by applying futures and systems change practices.



SYSTEMS CHANGE AND FUTURES

SYSTEMS CHANGE

Many of our fundamental systems are no longer fit for purpose. We are seeing global challenges which necessitate new approaches on a scale and complexity level previously unheard of. This is where systems change practice comes in.

Unless we can understand the bigger picture, the challenges in our systems and the root causes of these challenges, we will only end up mitigating problems or providing superficial solutions.

Forum has proven expertise and innovation in practical systems change. We successfully use systems approaches to understand the web of interrelations that create complex problems, anticipate unintended consequences, and identify how and where to take action. Systems change practice teaches us all to see how individuals, places, businesses, actions, and innovations are interconnected. It is our way to respond to a complex, changing world – and the only way we will deliver truly transformational change.

Defining terms

A **system** is a configuration of parts connected by a web of relationships towards a purpose. It can be an ecosystem, such as the marine environment, the food system or socially created systems such as education and health.

A **systems approach** shifts the focus from individual parts to how the parts are organised, recognising that interactions are not static and constant but dynamic and fluid. This means we help to diagnose the challenge, determine transformational and systems changing strategies and support collaboration so that we can innovate and learn how to address key issues.

Systems change is where relationships between different aspects of the system have changed towards new outcomes and goals. These systemic practices enable transformational, not incremental change.

FUTURES

Given the uncertainty of the societal and economic response to some of the key trends impacting our world right now, it is not wise or even possible to predict the future. However, we can shape the future, and the best way to start is by imagining the future we want to see.

We use futures to help organisations and collaborations grapple with uncertainty and change. By revealing the complex interplay of dynamic trends around us, and identifying risks, opportunities and powerful innovations, our futures work helps organisations to discover where to act for long-term success within the systems they operate in.

We are leaders in applied futures for sustainability, known for using trends, visions and scenarios to create concrete, practical solutions and build the capacity of our partners for long-term thinking.

Systems change and futures go hand in hand. We have a global reputation for futures work and, over the last 20 years, have designed and delivered a huge range of futures projects and thought leadership. To do this, we use a range of different futures tools and methodologies, from horizon-scanning and frameworks such as the Multi-Level Perspective and Three Horizons to a variety of scenario-building and visioning techniques. Our work is qualitative, grounded in thorough research, and enables key decision makers to think very differently about their responses to current challenges.

Our unique application of futures for sustainability enables us to challenge an organisation's assumptions about the world and help map out routes to a sustainable future.

Find out more about our work at forumforthefuture.org, thefuturescentre.org, or via LinkedIn, Twitter and Facebook.

OBJECTIVES AND ACTIVITIES

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's work provides direct public benefit by catalysing solutions to complex global challenges. This happens through our collaborative projects which bring together

stakeholders from different sectors to determine strategic responses to challenges, as well as to develop common methodologies and approaches.

We also work with organisations in the private and public sectors to help them provide public benefit, by putting sustainability at the heart of their strategies and developing products and services that are environmentally sound, economically viable and socially just.

Forum also aims to benefit the public by providing information about the path to a sustainable future. We communicate widely about our work through events, publications, our website, our annual Future of Sustainability report, and our digital Futures Centre platform, where we build communities and discussions to accelerate change. Here, we share 'sense making' 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 2018.

Examples of progress against our three global challenges are outlined on the following pages. We also provide examples of where we have built the capacity of people and organisations to act systemically, and to understand emerging trends, risks and opportunities in the world around us.

SUSTAINABLE NUTRITION

OUR CHALLENGE

Food is at the heart of many of the world's environmental, social and economic challenges, and as it stands, the way we produce and consume food is pushing the planet and its systems to the limit. The issues are complex and need a systemic approach to build transformative solutions.

OUR VISION

By 2030 we aim to have catalysed a new system in which food is produced and consumed in a way that is safe, affordable, nutritious and sustainable to all. Our approach looks to optimise for people and planet, balancing health and nutritional outcomes with restoration of the key ecosystems and farming livelihoods on which we depend.

OUR APPROACH

We are working to:

- ensure that sustainable diets are the norm;
- fast track the ability of the food industry to deliver sustainable nutrition outcomes for human and planetary health;
- make regenerative, resilient agriculture the mainstream, renewing soil health.

PROGRAMME HIGHLIGHTS

THE PROTEIN CHALLENGE 2040

Protein is fundamental to our diets, but current ways in which we produce and consume it are unsustainable. The world's double burden of overconsumption and malnutrition, and the depletion of natural resources, are issues recognised by policy makers, businesses and civil society but the transformative action we need is currently slow and fragmented.

Forum plays a critical role in shaping collaborative transformation as part of Protein Challenge 2040, a global coalition across the food system with the shared ambition to transform the way we produce and consume protein. Since its launch, the Protein Challenge has brought together businesses, NGOs, civil society and government organisations - including Volac, Danone North America, BaxterStorey, M&S, WWF, Waitrose and Nestle Research - to:

- advise and shape policy and industry action;
- support the industry to work together to innovate their protein offer;
- diagnose the root causes of unsustainable practice and map a pathway to more sustainable options.

So far, we have focused on two key impact areas: scaling sustainable animal feed and re-balancing protein in diets.



Sustainable animal feed: decision-making frameworks for the food industry

Livestock feed has major implications for animal health and welfare. It's also increasingly under the spotlight for its substantial environmental impacts.

In January 2018 as part of our ongoing Feed Compass pilot to transform animal feed, Forum released the Feed Behind Our Food report to highlight the vital role that retailers and food service decision-makers have, and to outline key criteria for sustainable feed that's fit for the future. Since then, we have continued to make the case for action through the Global Feed and Food Congress and in collaborative workshops of global feed stakeholders, including the World Economic Forum. We partnered with the University of Minnesota to identify metrics to evaluate feed sustainability and are now testing these criteria and metrics on pork and salmon supply chains with key retailers, including Waitrose and M&S.



Innovation in food service: Chefs Survey

Forum is working with wide-ranging partners – from food service and retail to restaurant owners and chefs – to shape the way the food industry enables consumption of more diverse protein.

In the UK, we identified chefs as key influencers in how millions of people eat and ran a Chefs Survey to gain insight into what influences their recipes and menus. Their input allowed us to explore their sources of inspiration and the barriers and opportunities to working with more plant-based ingredients.

Three enablers to change were identified: more training for chefs to develop knowledge and skills, building consumer demand and providing better access to quality, affordable ingredients. These insights were combined with those of professional and academic experts in food service, retail and culinary education and we now better understand how to empower chefs to lead the shift that is needed.



Transforming US school lunches

In the US, we are tackling food system transformation by challenging the school lunch programme. As well as providing a model for innovation focused on the school market, this work provides a huge opportunity to introduce more plant-based protein options to future generations.

In 2018, Forum's US School Lunch Design Challenge grew in ambition and success. We convened the first joint conversation among leading school districts to identify plant-based protein products needed in schools and subsequently make demands of the market and food manufacturers. The pilot aims to challenge current norms, encourage innovation in school menus, and share experiences and learning widely.

"It is often difficult to quantify the impact of collaboration in a scientific way, but I have been a part of the Protein Challenge 2040 from its inception and strongly believe that by bringing together this unique collection of businesses and NGOs we have been able to not only spur action but also – critically - change mindsets."

Andy Richardson, Volac

"Nothing short of systemic change will help us prepare for the future and sustain the agricultural systems we all rely on. At Olam, we know it's time for the agriculture industry to re-imagine the status quo and we value Forum for the Future's insight. Together, we are working to deliver prosperous farmers and farming systems, thriving communities and a regenerated living world."

Sunny Verghese, Olam International and current Chair of the World Business Council for Sustainable Development

WORKING WITH BUSINESS ON REGENERATIVE AGRICULTURE

Agriculture sits at the nexus of some of the most pressing challenges facing the world – from decarbonising the environment to ensuring healthy resilient food supplies. Regenerative agriculture is an approach to farming which puts more back into the environment and society than it takes out. It has potential to accelerate progress against the Sustainable Development Goals by improving livelihoods, enhancing food security, and improving water quality.

In 2018, we researched the opportunities and barriers to scaling-up regenerative practices. We found activity in this space has accelerated in the last two years, but it's not joined up. Our study identified a huge opportunity to create a common understanding of priorities for scaling – by, for example, developing shared learning and resources. Future work will capitalise on this knowledge.

Our bespoke work with leading businesses on their approaches to agriculture continued in

2018. We partnered with major UK high street retailer M&S to strengthen its business case for regenerative agriculture and so build appetite and enthusiasm for it. We carried out a wide review of where M&S – and its supply chain – was already involved in regenerative practice and identified further opportunities to improve practices.

We also supported Olam in its work to re-imagine global agriculture and food systems – convening and running a consultation process to review the company's Living Landscapes Policy. The Policy supports a net positive approach i.e. one that sees the business put back more than it takes out in agricultural supply chains and landscape management. We interviewed and brought together expert external stakeholders, to create a better shared understanding of the role of agribusiness in catalysing net positive systems, and advised on Olam's longer-term strategies, targets and timelines for achieving impact.

SUSTAINABLE VALUE CHAINS AND LIVELIHOODS

OUR CHALLENGE

It should not cost the earth for supply chains to meet our needs, yet entrenched in many global supply chains are environmental abuse, poor working conditions, a lack of transparency, inefficient use of resources and unequal distribution of profits.

OUR VISION

By 2030, we want to have played a key role in transforming the value chains of key land-based commodities to be net positive (putting back more than they take out) through sustainable and regenerative agriculture, decent livelihoods and fair, transparent business models.

OUR APPROACH

We are working to:

- engage brands, retailers and consumers in buying sustainably sourced products;
- remove barriers and scale solutions to improve traceability and transparency across value chains, increasing responsible practice;
- identify, pilot and scale business models that share benefits more equitably across the value chain, and provide fair and decent livelihoods for the millions of farmers and workers employed in them;
- create greater alignment across initiatives and actors in key value chains to increase their collective impact for sustainability – enabling them to transform faster and to transfer learning across commodities.

PROGRAMME HIGHLIGHTS

COTTON 2040: PROVIDING PRACTICAL TOOLS TO DRIVE SUSTAINABLE COTTON INTO THE MAINSTREAM

Cotton touches most of us every day. It's a vital commodity for fashion brands and retailers, representing about 30% of all fibre used in the textile sector. Globally, around 30 million hectares are planted with cotton, accounting for more than 2% of total arable land, and producing approximately 25 million metric tonnes of cotton annually. Grown in over 80 countries, cotton production supports the livelihoods of around 350 million people.

But conventional cotton production is no longer fit for the future. From the over-consumption of water and excessive pesticide use to soil depletion and low farmer incomes, the negative social, environmental and economic impacts cannot be ignored.

That is why Forum spearheads the innovative Cotton 2040 initiative, a multi-stakeholder collaboration aimed at scaling the use of

sustainable cotton internationally. We do this by creating alignment across sustainable cotton standards around key issues such as impact measurement and driving uptake with brands and retailers. In June, we launched the groundbreaking CottonUP tool, an online guide to sourcing more sustainable cotton. CottonUP is a practical resource to inform and guide business leaders and sourcing teams on the issues, benefits and options for sourcing more sustainable cotton.

The guide is now available in German as well as English and is open to all. It's currently being accessed by users from the US, UK, India, Germany, Australia and more, with plans to translate into additional languages where needed.

We are currently scoping the next phase of Cotton 2040 in liaison with the C&A Foundation and a range of other partners.

"Through Cotton 2040 and the CottonUP guide, key industry players are making a united effort to pull brands and retailers towards more sustainable cotton and make it easier for them to source across multiple standards."

Anita Chester, C&A Foundation

"Today, any company, no matter how large or small, has the opportunity to convert all its products over to a sustainable footing and mainstream more sustainable cotton. The supply and marketing opportunities are both there, and the CottonUP guide will make it a lot easier and quicker for brands and retailers to radically increase the amount of sustainable cotton they source than it was for M&S 10 years ago."

Phil Townsend, M&S



THROUGH THEIR EYES: UNDERSTANDING AND IMPROVING THE EXPERIENCES OF MIGRANT WORKERS IN THE APPAREL INDUSTRY

As part of our work with the apparel industry, Forum partnered with apparel manufacturer Ramatex Group and social innovation agency Zeroth Labs to carry out an ethnographic study, Through their Eyes. In-depth research over a three-week period at an apparel facility in Kulai, Malaysia gave us a deeper understanding and appreciation of the experiences of migrant employees from Sri Lanka. The study has revealed valuable insights for manufacturers looking to define what a fair, meaningful and better work experience for migrants could look like as well as informing and influencing industry-level conversations.

“Through Their Eyes and the ethnographic methodology that underpinned it exposed our management teams, as well as our customer, to a level of detail about our migrant employees’ lives that we never had access to. The process helped us recognise the gaps in our employee management systems and supported the business case to explore new ways of engaging with migrant employees.”

Keith Ma, Ramatex Group

DECENT RURAL LIVING INITIATIVE: IMPROVING THE LIVES OF RURAL WORKERS IN INDONESIA

Employing over 5.7 million people, the palm oil sector is key to the Indonesian economy, yet many workers within the supply chain experience precarious employment and poor living conditions. In 2018, Forum began collaborating with Cargill, Golden Agri-Resources, Musim Mas, Sime Darby Plantations and Wilmar to launch a pre-competitive collaboration aimed at addressing systemic labour rights challenges in the sector.

Through the Decent Rural Living Initiative, we have engaged Indonesian-based NGOs, industry bodies, Unicef and the International Labour Organisation to identify key opportunities to:

- raise awareness of worker rights (particularly occupational health and safety);
- increase telecommunications connectivity in rural locations;
- support a jurisdictional collective bargaining process specific to the palm oil sector in South Sumatra;
- improve family well-being on concession lands.

Our early focus is on identifying and scaling solutions that improve family well-being. Pilots will be designed to amplify existing good practice and longer-term, scale to other suppliers. We will seek to improve working conditions for casual workers through contract innovation and secondly, garner more effective support for women working in palm oil.

“The Decent Rural Living Initiative is a unique opportunity to translate industry commitments into actions, and to address systemic issues that cannot be solved by a single company or segment of the supply chain.”

Colin Lee, Cargill



KEEPING GLOBAL WARMING TO 1.5°C

OUR CHALLENGE

The world is already 1°C warmer than pre-industrial levels due to man-made greenhouse gas emissions. As a result, extreme weather events are becoming increasingly commonplace, reliable rains are failing and sea levels are rising – and this is just the beginning. It's clear that current levels of action to reduce emissions are nowhere near sufficient if we are to create a more sustainable future.

OUR VISION

Our vision is the achievement of the UN Paris Agreement's ambition to limit temperature increase to 1.5°C above pre-industrial levels this century – enabled by businesses, governments, civil society and individuals taking urgent and transformative action. By 2030, we want to make a significant contribution towards catalysing a rapid and just transition to a carbon positive economy – one that takes more carbon out of the atmosphere than it adds. This will mean the rapid decarbonisation of critical systems such as mobility, power and the built environment, along with the recarbonisation of soils and ecosystems.

OUR APPROACH

We are working to develop:

- carbon-positive communities by providing examples of ways in which citizens and communities can be engaged to see a better future for themselves in a carbon-positive economy;
- carbon-positive voices by bringing together powerful voices with new compelling narratives that will shift the attitudes of the public and decision makers;
- carbon-positive solutions by working with partners to diagnose what innovations could provide breakthroughs at the scale and pace required;
- carbon-positive organisations by helping wide-ranging partners and organisations to develop carbon-positive strategies that take a systemic approach.

PROGRAMME HIGHLIGHTS

<2°C FUTURES: SCENARIOS TO HELP BUSINESSES NAVIGATE CLIMATE IMPACTS

What are the business implications of staying below 2°C of warming? Working with the Aditya Birla Group, Forum explored a range of '<2°C futures scenarios' to help businesses better understand potential impacts and so factor them into strategy development, innovation and investment decisions. Together, we identified four scenarios outlining what the business operating context could look like in 2040 along with the mutually reinforcing changes that businesses need to be aware of if they are to succeed in the future. These include the end of coal, a step change in agriculture and food, a tough policy landscape, a mobility revolution, sea level rise, hotter, more frequent heatwaves, intense flooding and more.

The report is available to all online and we are continuing to promote it as a key tool for businesses to plan for a <2°C future. Those doing so will not only minimise long-term risk but realise a competitive edge over those who don't.

POWERPAIRED: CATALYSING THE NEXT WAVE OF COMMUNITY-OWNED ENERGY PROJECTS

We are seeing a growing appetite for community energy projects in which local cooperatives and social enterprises across the UK are taking action to generate and manage more sustainably produced energy. While this can be a highly efficient, low-cost way of taking practical action on climate change, locating and securing viable sites to develop on can be a huge barrier to progress. This is where PowerPaired comes in.

Launched by Forum in 2018, PowerPaired is an innovative platform that makes it easy for community groups to find sites where they can develop their own renewable energy projects. It provides an online 'matchmaking' service between community groups and the people who own appropriate sites. This might range from a school that can offer its roof for solar panels to a farmer who has space on his land for wind turbines. They can then generate lower-cost power on-site or wholesale energy that is fed into the national grid. We are putting power back into community hands and continue to scale the project.

NEW SMARTPHONE APP OFFERS SIMPLE, SMARTER AND MORE SUSTAINABLE TRAVEL SOLUTIONS

By 2040, there will be an extra 2 billion people living in cities with significant implications for our environment, economy and health. Similarly, more of us are living our lives online with daily developments in the digital space influencing where and how we travel.

As part of our work to drive shifts to clean mobility, Forum – alongside a range of technology and transport providers - launched trav.ly, a first-of-its-kind new smartphone app piloting in the UK's West Yorkshire region. trav.ly seamlessly connects all modes of transport – including bus, rail, car club, taxi, walking and cycling – enabling users to plan an end-to-end journey and buy their ticket for the whole trip.

The app is making it easier for users to combine public transport, active travel (walking and cycling) and shared private options (taxis and car clubs) – thereby saving them money and time while also delivering health and environmental benefits. Our focus now is on introducing trav.ly to other UK and overseas metropolitan areas and sharing our experience with others.

ENABLING EIT CLIMATE-KIC TO ADOPT TRULY SYSTEMIC APPROACHES

Equipping others to drive systemic change is key to Forum's work. We partnered with the European knowledge and innovation community on climate action, EIT Climate-KIC, to build their knowledge, skills and experience in systems change approaches. We supported them to adopt and embed their new vision of creating wholesale systemic change, hosted workshops and capacity building sessions for more than 200 staff, and worked with senior management to develop their theories of change across 12 key sustainability themes. This enabled them to design their programmes across Europe to have greater impact.



BUILDING THE CAPACITY FOR SYSTEMS CHANGE

In the face of complex challenges there are not enough people operating with the capacity to shift systems. In this global emerging area of practice, people need to learn from one another's experience so they are not starting from scratch. Growing a global community of change agents is our best chance to accelerate a transition to a sustainable future.

We want to cultivate a field of systems change practice so that people and organisations have the transformational strategies and capability to lead systems change to address challenges. We want to build a growing global community of practice by connecting networks of agents who want to shift systems, as well as supporting the curation of resources and development of new practices.

We are working to: ensure our partners – including Ahold Delhaize and Sime Darby among many others - have systems changing organisational sustainability strategies that challenge the status quo, build the capacity of wide-ranging people and organisations to address sustainability challenges, and to provide access to best-in-class learning experiences, tools and case studies from the field. We are also developing the Net Positive Project, which aims to increase the number of companies making net positive commitments to put back more into society, the environment and the global economy than they take out.

PROGRAMME HIGHLIGHTS

DEVELOPING A SYSTEMIC THEORY OF CHANGE FOR THE UNITED NATIONS GLOBAL COMPACT (UNGC)

As part of our work on transformational strategies, we supported the UNGC to map their current activities, capabilities and assets. We determined the assumptions they are making about how their work drives change and explored how their day-to-day work is laddering up to deliver long-term, systemic impact. This helped the UNGC to better understand what they do (and don't do), what they are trying to achieve and how they can best design their work to have impact. Importantly, this project also helped them look beyond their own programmes and projects to identify the external factors they rely on for success and what stakeholders they could work with to accelerate progress.



BUILDING THE FIELD OF SYSTEMS CHANGE

Beyond running the School in its current form, we're continuing to ambitiously strengthen and evolve our courses and in June, co-convened a gathering in Canada of practitioners, academics and funders wanting to work together to build the field of systems change. We also launched a series of scoping conversations in Asia, exploring what systems change practice might mean in this context as a prelude to designing a School offer in this region.

SCHOOL OF SYSTEM CHANGE: BASECAMP GOES GLOBAL

Forum's School of System Change and its flagship learning experience, Basecamp, continues to grow. On the back of three successful Basecamp courses in Europe in 2017 and early 2018, we ran our first course in the US from April - bringing together a group of NGO leaders, corporate change-makers and philanthropy pioneers to develop their systems practice.

By December, we heard how our alumni were starting to up their game, using systemic approaches to broaden their stakeholder engagement, deepen their influencing strategy, and find their voices as change-makers. A new programme in the US has enabled us to broaden our network of key contributors and develop a strong core partnership with the Garfield Foundation.

ACTION INQUIRIES - SYSTEMIC FORMS OF ORGANISING

The world is constantly changing and evolving. The challenges we face are also becoming more complex, urgent, uncertain and volatile. Consequently, people seeking to work within this context are finding it increasingly difficult.

Current structures and ways of creating change/organising are part of the problem. We need to explore, experiment and learn new systemic forms through action inquiries. In 2018, we worked as part of the Marine CoLAB and OneLess initiative to explore new models of collaboration for change. We looked at models of philanthropy for systems change while also considering our own leadership, power and position in the system. This work has informed Forum's practices - including how we run and develop the School of System Change. It has also provided practical insights for others to pioneer cutting edge approaches.

NET POSITIVE

Increasingly, companies are recognising the benefits of going beyond mitigating their negative sustainability impacts to appreciate their enormous potential to create positive impacts on society and the environment. Many companies' sustainability goals expire in 2020 and as they consider what will come next they are considering how they can put back more than they take out.

The Net Positive Project led by Forum, BSR and SHINE with corporate partners including Dell, AT&T, Eaton and SIG Combibloc, continues its work to build a movement of companies taking this ambitious approach. We've recently published a consolidated list of principles, a maturity model and a methodology document, brought together in a handy user guide (available online) to help companies to understand what Net Positive really means, and begin their journey towards it. The resources also contain insights into how to deliver Net Positive impacts on specific areas such as carbon, water and social impacts.





UNDERSTANDING WHAT IS EMERGING

From the physical environment that surrounds us to the behaviours and mindsets of individuals and the unforeseen implications of our actions, the world is constantly changing. So how can we prepare for uncertainty? Where are the risks and opportunities?

Forum's work is informed by our exploration of areas of high-change potential. We are constantly scanning for emerging themes, issues and developments which either inform existing programmes of work or help us define new ones. Doing this keeps us at the forefront of the world's most pressing sustainability challenges and opportunities.

PROGRAMME HIGHLIGHTS

THE FUTURE OF CITIZENS AND COMMUNITIES

Civil Society Futures

As part of the Civil Society Futures independent inquiry, Forum led a national conversation to understand how both the nature of civil society and the context it exists in are changing, and to investigate how we maximise the positive effects of civic action to drive change.

Over two years concluding in December 2018, more than 3,000 people engaged in debate through workshops, meetings, events, blogs, forums and academic research. Based on our findings, we proposed a new, shared PACT which calls for all in civil society to take action in key areas of change potential – from driving power shifts to holding ourselves accountable to the communities and people we serve.

Forum is a signatory of PACT and the inquiry's final report was launched at an event attended by over 150 civil society leaders and funders, with aims to implement from 2019.



Community business in 2030

Forum partnered with the Power to Change Trust to explore what a future healthy, vibrant and sustainable community enterprise movement might look like in 2030.

We convened community enterprises and a consortium of partner organisations - Co-operatives UK, Locality, Plunkett Foundation, Social Enterprise UK and Goldsmiths University – to carry out workshops, interviews, conversations and online surveys. To develop a shared vision, we worked with more than 40 community enterprises and spoke to more than 20 experts either active in the field or with a perspective on the trends and changes impacting community-based social enterprises.

Together, we reported that community enterprise has the potential to play a significant role in shaping and delivering much-needed change across civil society and set out eight big shifts that need to happen to realise this potential along with practical suggestions to get there.



THE FUTURE OF SUSTAINABILITY REPORT

Forum's 2018 Future of Sustainability report revealed a perfect storm of seven interconnected trends set to shape sustainability. For each trend, we looked at what's happening now and where it might lead in the future, identifying wide-ranging implications for how we can address global challenges. Along with our partners, Forum used the report to put the spotlight on sustainability and call on everyone, everywhere to take action.

Insights were drawn from our Futures Centre, 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 publicly available website, the Centre helps Forum to monitor the development of significant trends. It also provides analysis and thought leadership.

In 2018, the Futures Centre global community expanded to reach almost 20,000 unique users per month.

FAST-TRACKING SOLUTIONS TO A CIRCULAR ECONOMY: CIRCULAR LEAP ASIA

Forum partners with business in key industries to fast-track transitions to a circular economy. We do this by helping to shape business strategy and models, imagine and prototype new products, and work as part of powerful coalitions to develop and scale-up transformative solutions. We are helping businesses radically rethink their relationships with suppliers, employees and end-users, and access new skills.

In 2018, we began an innovative 18-month programme, Circular Leap Asia (CLA), which aims to empower apparel manufacturers to develop circular solutions. Due to the explosive expansion of fast fashion, the average person today buys 60% more clothing items than in 2000. Apparel production doubled between 2000 and 2014 and we continue to see shocking amounts of waste sent to landfill. While these issues are recognised, businesses lack the knowhow and/or incentives to execute solutions. Through CLA, we are working with three pioneering manufacturers to plug this gap with experiences, learning and more from 2019.

WORKING WITH SKY TO DRIVE SYSTEMIC ACTION ON PLASTIC POLLUTION

2018 saw unprecedented levels of public interest and concern in plastic pollution. Ambitious change initiatives emerged, consumers pledged action – but how much of this will make a real difference?

Through a study soon to be published, Forum partnered with Sky to independently assess how transformative the current landscape of activity aimed at tackling ocean plastic pollution truly is.

Using its Ocean Rescue campaign as a live example, we also supported Sky to identify its own potential in driving change, initially diagnosing and mapping key elements of the system (from influential actors to emerging trends and challenges) in order to spot leverage points capable of driving meaningful, long-lasting change.

This highlighted Sky's unique opportunity: using its voice and reach as an international broadcaster to raise public awareness on the issue. Our partnership has also identified a set of key lessons for other business leaders seeking to create transformational change on plastics, which could provide a blueprint for tackling wider complex sustainability challenges - from climate change to food security.



PLANS FOR THE FUTURE

Many of the initiatives outlined in this report will continue as priorities in 2019 and beyond. Over the coming year, our focus will be on:

ADVANCING OUR WORK ON GLOBAL CHALLENGES

Shifting systems is not easy. The key global challenges we work on will not be solved overnight. We know they will require ongoing effort on a number of fronts and in collaboration with wide-ranging partners. Moving forward, Forum will continue to use its skills and expertise in the right ways to deliver the greatest impact – leveraging systems expertise and futures insights to help catalyse change.

In addition to the three key global challenges we are currently focused on – food, energy, sustainable value chains and livelihoods – we will continue to explore a number of emerging areas, including how we advance circular economy approaches. We will also invest in a major area of work to focus on regenerative agriculture, which could deliver positive outcomes in all three of our key challenge areas.

DEEPENING OUR RELATIONSHIPS WITH KEY PARTNERS

Partnership has always been at the heart of Forum's work. Our deep relationships with leading global organisations in the business and non-profit sectors are critical to driving more systemic and sustainable approaches through our transformational strategies work. We will continue to invest in our role as a convener, and to proactively identify key partners that can help to drive the change we're trying to see in the world and whose approaches are complementary to ours.

BUILDING THE FIELD OF SYSTEM CHANGE

We will continue to build the field of system change to equip more people and organisations with skills, knowledge and experience in systemic practice. We will continue our investment in the School of System Change with a focus on its development in new markets.

LEARNING AND KNOWLEDGE MANAGEMENT

We are committed to improving our learning and knowledge management across all levels at Forum. We need to be able to collaborate more effectively across organisational boundaries, access and re-use our existing knowledge and expertise more consistently, and capture our emerging thinking and learning in ways that increase our impact. 2019 priorities include establishing basic guidelines and protocols, curating existing knowledge products, strengthening our learning and appreciation culture, and building learning and reflection opportunities into project management.

FINANCIAL REVIEW

SUMMARY

In 2017, we embarked on a robust transformation plan to ensure our long term financial and operational sustainability including a stronger business planning process and an investment in our financial systems and processes.

Our financial results for the year ended 31 December 2018 demonstrate the progress we have made through this transformation. Our overall surplus of £58,000 (2017: £166,000) is made up of an unrestricted surplus of £153,000 (2017: deficit of £104,000) and a restricted deficit of £95,000 (2017: surplus of £270,000). The turnaround in our unrestricted position (from a £104,000 deficit to a £153,000 surplus) is particularly important as we seek to rebuild our reserves to the minimum target level.

Overall income has remained stable at £5.3 million (2017: £5.3 million). However, within this our income from grants has increased from £1.4 million to £1.6 million or 29% of total income (2017: 26%) helping us to deliver more innovative collaborative partnerships and the other work outlined above. Income in our three subsidiaries in India, Singapore and the US remained stable at £1.9 million or 36% of our income.

Total net assets have increased from £1.3 million to £1.4 million as a result of the overall surplus. Unrestricted reserves have increased from £500,000 to £656,000. Restricted reserves, tied to particular purposes as specified by the donor, reduced from £0.8 million as at 31 December 2017 to £0.7 million as at 31 December 2018. Our overall cash balance has decreased from £1.0 million to £0.6 million at the year-end due to the timing of receipt of a number of payments. However, our underlying cash balance has been steadily increasing and continues to do so into 2019.

RESERVES POLICY

The Trustees have set a policy to hold sufficient unrestricted reserves to cover working capital requirements, short term reductions in income, and unexpected expenditure. To do this, the Trustees have set a target for reserves of a minimum of 18% of overall expenditure (excluding direct project costs).

The Trustees recognise the need to balance rebuilding reserves with continuing organisational development to ensure the ongoing financial and operational sustainability of the organisation. In 2017, the Trustees agreed a plan to build reserves up to the target level over the three-year period to 31 December 2020. The unrestricted surplus of £153,000 for the year ended 31 December 2018 is in line with this plan, and continued progress against this target is embedded within the 2019 – 2021 business plan.

As a result of the surplus generated in 2018, the unrestricted reserves at 31 December 2018 have increased to 14% of overall expenditure (excluding project costs) a significant improvement from 31 December 2017 where unrestricted reserves represented just 10% of overall expenditure (excluding project costs).

GOING CONCERN

The Trustees regularly review a 12-month cash flow forecast to ensure that there is sufficient cash to cover working capital requirements in the immediate term whilst the target reserves are being rebuilt. Based on the current 12-month cash flow and supporting plans including the 2019 budget and the 2019 – 2021 business plan, the Trustees consider Forum to be a going concern for the foreseeable future.

FUNDRAISING

Philanthropic funding is critical to Forum's ability to create a shift to more sustainable world, enabling us to drive transformational system change and providing flexibility and freedom in how we achieve our mission. Our fundraising efforts focus on building long-term, strategic partnerships with corporates, trusts and foundations, statutory funders and individual philanthropists who share Forum's vision for a sustainable future. While we do not make direct marketing appeals, or carry out mass participation fundraising events, street or door-to-door fundraising, we ensure the fundraising activities we do carry out comply with the legal and regulatory framework as it applies to charities and fundraising. During the reporting period, Forum received no fundraising complaints.

OUR ENVIRONMENTAL AND SOCIAL IMPACT

As a charity that exists to promote sustainable development, we are very keen to lead by example when it comes to our environmental and social impacts.

Forum's key environmental and social impacts result from its:

- Core work with partners and others on system change;
- Operations (i.e. staff, buildings, travel and supply chain).

Our operations generate negative impacts (for example carbon emissions) but also positive ones, including allowing Forum to enable change on a global scale.

ENVIRONMENTAL IMPACT

Forum's environmental management system has been in place for over 15 years. Our most material environmental impact from our operations is carbon footprint from aviation. In 2018 we produced 218 tonnes (2017: 185 tonnes) of carbon dioxide. We recognise that a certain amount of travel is critical to engaging with partners and driving the change we want to see in the world. We remain convinced that we can, over time, deliver far bigger wins for sustainability as a whole – including carbon reduction – by having our expert staff working internationally, helping organisations in Asia and in US achieve their own transformative shifts, than if we were to avoid a small number of flights by not doing this work. Nevertheless, we seek to avoid unnecessary travel, use virtual meetings extensively and, when flying is required, maximise benefit by arranging multiple meetings.

In 2018 we repeated our regular staff survey to understand how staff commute to work. 25% of our staff cycle or walk to work on most days, 67% use public transport. We encourage staff to cycle or use public transport to work by providing a bike or season ticket loan, shower facilities and secure bike storage.

We also look to reduce the environmental impact from our offices in a variety of areas including food, waste and procurement. For our events we source vegetarian and sustainable food options. Our annual Sustainability Dinner in the US last year was hosted at the Brooklyn Grange, the largest rooftop farm in New York, and catered by Purslane, a fully sustainable caterer. All meals served at our School of System Change courses across the globe are vegetarian.

We have had outstanding ratings for recycling for a number of years. However, our efforts are now focused on discouraging the consumption of single use plastic by staff to reduce waste.

PEOPLE

Our skilled, professional, committed people are our most valuable resource. At 31 December 2018 we had 68 employees (2017: 65) across our four offices in London, Mumbai, New York and Singapore and in January 2019 we welcomed 20 new people on board. At 31 December 2018 women represented 76% of our workforce. We plan to track and share other diversity statistics in 2019. Our annual away days in the summer are an opportunity to bring our entire staff team together to build our connectedness and learn from each other's experience.

We also benefited from the valuable skills and time of our affiliate network who bring a combination of deep expertise not held directly within our team, and additional capacity to deliver as well as from our thirteen interns across three of our four offices.

Our total employee turnover for the year was 27% (2017: 28%). It is widely considered across the UK NGO market that employee turnover of around 23% is healthy as an indicator of a 'vibrant market' of skills allowing for an influx of fresh ideas and organisational evolution and re-generation. For London, due to a high concentration of job opportunities that makes it easier to move jobs, the figure is expected to be higher than the UK national average rate for the charity sector at 15%. Nonetheless, our employee turnover remains higher than we would like. In 2019 we have introduced a quarterly staff pulse survey allowing us to track morale and a small number of other key questions much more closely and respond more swiftly than we may have been able to in the past.

In 2018, we introduced a new code of conduct bringing together a number of our employment policies and enhancing our policies around safeguarding, prevention of bullying and harassment and raising concerns, in particular. The development and roll out of our refreshed values has also provided us with an opportunity to have an open conversation about our culture, values and behaviours to ensure they better reflect the systems changing principles we aspire to role model. We were delighted to sign up to PACT, the shared aspirations we helped to develop through our civil society futures work around power, accountability, connection and trust (www.civilsocietyfutures.org/pact).

REMUNERATION POLICY

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.

In the UK the ratio of our highest to lowest paid employees was 4:1 and in the US & Singapore it is 3:1.

PRINCIPAL RISKS AND UNCERTAINTIES

In 2018, we refreshed our approach to risk management, in particular to give visibility to some of the risks arising in our more emergent work.

The risk register remains our primary tool 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) reviews 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.

The following table sets out the major risks we faced during 2018 and continue into 2019 together with key mitigating actions.

Risk	Mitigating actions
Low level of reserves, leading to less flexibility and resilience to shocks	The appointment of our first permanent Chief Operating Officer and an investment in our financial systems has enabled much closer monitoring of our finances. We made an unrestricted surplus in 2018 and plan to continue to rebuild our reserves over time. Cash flow forecasts are monitored on a regular basis.
Impact of the external environment on our funding environment	The appointment of our first Chief Development & Communications Officer in October 2017 has allowed us to strengthen our income generating strategies and in particular to increase the proportion of funding from trusts and foundations and other sources. We have developed and are managing a specific risk register around risks associated with the UK's departure from the EU.
Loss of key staff, in particular loss of key skills	The development of a skills and capabilities learning programme together with an investment in better knowledge management helps equip our teams. Continued work on organisational culture and staff wellbeing. An improvement in our employment policies including a review of our remuneration policy.

STRUCTURE, GOVERNANCE AND MANAGEMENT

GOVERNANCE

The governing body of Forum is the Board of Trustees, which meets at least four times a year. 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 six to the accounts.

The Chair of Trustees, Keith Clarke, leads the Board. The Honorary Treasurer, Fiona Thompson, 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 recently refreshed its terms of reference.

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.

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. In late 2018, the Board conducted an open recruitment for new Trustees and were delighted to be able to select six new Trustees to strengthen the Board. These Trustees are expected to be appointed at the Annual General Meeting (AGM) on 24 June 2019.

STRUCTURE

Consolidated group accounts have been prepared for 2018 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.

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 24 June 2019 and signed on their behalf by:
Fiona Thompson, (Director, Trustee and Honorary Treasurer).

REFERENCE AND ADMINISTRATIVE DETAILS

The Forum for the Future is a charitable company limited by guarantee and is incorporated in England & Wales (company number 2959712, charity number 1040519).

The registered office address is: Overseas House, 19-23 Ironmonger Row, London, EC1V 3QN, United Kingdom.
www.forumforthefuture.org

Trustees and directors

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 2018, which have been prepared in accordance with the Statement of Recommended Practice: Reporting and Accounting by Charities (SORP 2015), and the Companies Act 2006.

Trustees who served throughout 2018, except where stated, were as follows:

Keith Clarke (Chair)
Anita Tiessen
Fiona Thompson
Jonathon Porritt (Founder Director)
Kate Levick – resigned 29 October 2018
Kelvyn Derrick
Sara Parkin (Founder Director) – resigned 16 July 2018
Volker Beckers

Company Secretary

Joanne Day – resigned 10 May 2018
Jenny Natasha Clayton – appointed 10 May 2018

Audit and Assurance Committee (AAC)

Fiona Thompson (Chair)
Kate Levick – resigned 29 October 2018
Kelvyn Derrick
Sara Parkin – resigned 16 July 2018
Independent Audit Committee Member – Sharon Martin – resigned 18 October 2018.

Remuneration committee

Anita Tiessen (Chair)
Keith Clarke
Kate Levick – resigned 29 October 2018

Senior management team

Sally Uren, Chief Executive
Joanne Day, Interim Chief Operating Officer (left March 2018)
Jenny Natasha Clayton, Chief Operating Officer (joined March 2018)
Jane Lawton, Chief Development and Communications Officer
James Goodman, Director of Futures and Projects
Stephanie Draper, Chief Change Officer
Anna Birney, Director of System Change, Learning and Community
Sandra Seru, Director of US

Bankers and auditors

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

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

Pioneer partners

Pioneer partners are sustainability leaders in their sectors, and key supporters of Forum's work.

Kingfisher
M&S
Sky
Target
Unilever
Walgreens Boots Alliance

Partners

Partners are organisations we are working with on programmes designed to accelerate their progress towards sustainability.

Aditya Birla Group
Ahold Delhaize
Air New Zealand
Amazon UK
Associated British Foods
Aviva Investors
Britvic
Burberry
C&A
Cafedirect
Camellia
Certis Europe
Chanel
China Navigation Company
ColArt International
The Co-operative Group
Colep
The Crown Estate
CTPA
Diageo
EDF Energy
FirstGroup
Fonterra
Interface
John Lewis Partnership
Johnson & Johnson
Kimberly-Clark
Novelis
Olam
Ports of Auckland
Pret A Manger
Pukka Herbs
Ramatex
Sainsbury's
SATS
Sedex
SIG Combibloc
Sime Darby
Swire Pacific Offshore
Twin and Twin Trading
Value Retail
Vector
Volac
Wates Group
Willmott Dixon

Members

3M
American Express
Aster Group
Asia Venture Philanthropy Network
British Aerosols Manufacturers' Association
British Standards Institution
Cappemini
Coca Cola European Partners
Disney Consumer Products
GSH Group
The Hershey Company
Jaguar Land Rover
L'Oréal Paris
Tesco

Grant funders

American Express Foundation
Baring Foundation
C&A Foundation
Calouste Gulbenkian Foundation (UK Branch)
Esmée Fairbairn Foundation
British Foreign & Commonwealth Office
Friends Provident Foundation
Innovate UK
General Mills Foundation
Garfield Foundation
KR Foundation
Lankelly Chase
Mitsubishi Corporation Fund for Europe and Africa
NCVO
Open Society Foundations
P4G
PricewaterhouseCoopers Services
Rockefeller Foundation
Whole Kids Foundation
Zoological Society of London

Catalyst Fund

Catalyst Fund members give £10,000 or more each year to support the efforts of Forum for the Future and drive new areas of innovation.

Jamie Arbib
Betty Lawes Foundation, the grant making charity associated with Volac International
Marc Bolland
Victoria and Edward Bonham Carter
Sir Ian Cheshire
Steve Holliday
Rhoddy & Georgina Swire
The Mark Leonard Trust
The Waterloo Foundation

Other funders and collaborators

A.P. Moller - Maersk
Alpro
BaxterStorey
Betty & Taylors of Harrogate
BSR
Calysta
Cargill
Climate-KIC
Corra Foundation
CEEW
Danone North America
Dell
Department of Food and Resource Economics, University of Copenhagen (IFRO)
Environment Agency UK
European Risk Forum
Evonik
Finlays
Firmenich
FoodCorps
Foodpanda Singapore
Golden Agri-Resources
Greater London Authority
Hannaford Brothers Company
IDH The Sustainable Trade Initiative
International Alumni Center
LiiL Ventures
London Waste and Recycling Board
Marina Bay Sands
Marlow Foods
Ministry for the Environment New Zealand
Musim Mas
National Grid Transco
Nestlé Research
New Zealand Post
Omidyar Network
Organic Cotton Accelerator
Personal Care Products Council
Power to Change
SHINE
Smartest Energy
Sustainable Shipping Initiative
Swiss Singapore Overseas Enterprises
Tata Global Beverages
Telefonica
The Sustainability Consortium
Tulip
United Nations Global Compact
Waitrose & Partners
WWF

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 2018 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 2018 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: 10 July 2019

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

FINANCIAL STATEMENTS

Consolidated statement of financial activities for the year ended 31 December 2018 (Incorporating the income and expenditure account)

	Notes	Unrestricted £'000	Restricted £'000	2018 Total £'000	2017 Total £'000
INCOME FROM					
Donations	2	130	-	130	170
Charitable activities	3	3,551	1,646	5,197	5,096
TOTAL INCOME		3,681	1,646	5,327	5,266
EXPENDITURE ON					
Raising funds		(99)	-	(99)	(41)
Charitable activities		(3,429)	(1,741)	(5,170)	(5,059)
TOTAL EXPENDITURE		4-7 (3,528)	(1,741)	(5,269)	(5,100)
Net income/(expenditure) for the year		8 153	(95)	58	166
Transfers between funds		3	(3)	-	-
NET MOVEMENT IN FUNDS		156	(98)	58	166
FUNDS BROUGHT FORWARD		500	818	1,318	1,152
FUNDS AT 31 DECEMBER 2018		656	720	1,376	1,318

All of the above results are derived from continuing activities. There were no recognised gains or losses other than those stated above.

Balance sheets for the year ended 31 December 2018

	Notes	The group		The charity	
		2018 £'000	2017 £'000	2018 £'000	2017 £'000
FIXED ASSETS					
Tangible fixed assets	11	135	215	127	200
Investments	12	-	-	1	1
		135	215	128	201
CURRENT ASSETS					
Debtors	15	2,206	1,079	1,480	1,176
Short term deposits and cash in hand		579	1,074	439	626
		2,785	2,153	1,919	1,802
LIABILITIES					
Creditors - due within one year	16	(1,544)	(1,050)	(858)	(757)
		1,241	1,103	1,061	1,045
NET CURRENT ASSETS					
		1,376	1,318	1,189	1,246
NET ASSETS					
FUNDS					
Unrestricted income funds					
General funds		656	500	660	428
Restricted funds	19	720	818	529	818
TOTAL FUNDS		1,376	1,318	1,189	1,246

Approved by the directors on 24 June 2019 and signed on their behalf by

Fiona Thompson
Honorary Treasurer

Consolidated statement of cash flows for the year ended 31 December 2018

	Notes	2018 £'000	2017 £'000
Cash flows from operating activities			
Net cash (used in)/ provided by operating activities	A	(475)	478
Cash flows from investing activities			
Purchase of fixed assets		-	(119)
Net cash used in investing activities		-	(119)
Cash flows from financing activities			
Cash payments to repay finance leases		(20)	(25)
Net cash used in financing activities		(20)	(25)
Change in cash and cash equivalents in the year		(495)	334
Cash and cash equivalents at 1 January		1,074	740
Cash and cash equivalents at 31 December	B	579	1,074

A. Reconciliation of net income to net cash flow from operating activities

	2018 £'000	2017 £'000
Net Income for the period	58	166
Adjusted for:		
Provision for tax (India)	6	-
Interest payable	(5)	-
Interest receivable	-	(1)
Depreciation charges	79	68
Increase in debtors	(1,128)	126
Increase in creditors	515	119
Net cash used in operating activities	(475)	478

B. Analysis of cash and cash equivalents

	2018 £'000	2017 £'000
Cash at bank and in hand	579	1,074
Total cash and cash equivalents	579	1,074

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared in accordance with Accounting and Reporting by Charities Statement of Recommended Practice (SORP 2015, effective 1 January 2015) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), effective 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. The amounts due to/from Forum for the Future and its subsidiaries are disclosed in aggregate in notes 15 and 16. Separate statements of financial activities, on 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.

Public benefit entity

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

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.

Income

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

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. Gifts in kind are measured at their monetary value to the organisation and recorded as donations.

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.

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.

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.

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.

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 incurred and included in the support costs.

Staff untaken holiday and paid sabbaticals are calculated at the average salary rate and charged to the income statement.

Allocation of support costs

Infrastructure and support costs are apportioned to Forum's programmes in line with the direct spend on each programme (workstream). The type of costs that are allocated in this way include all office costs (rent, rates, asset hire, utilities, stationery, telephone, insurance, depreciation) and support cost centres (Finance, IT, HR and office services).

Foreign exchange

Sales invoices raised in foreign currencies are entered into the accounts at the rate as of 1st of each month or in accordance with an exchange rate set in the contract, if applicable. The same treatment is applied to costs and bank account balances and revalued regularly throughout the year and at the year end.

Operating leases

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

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
Software development	20% on cost
Computers and office equipment	33.33% on cost

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.

Investments in subsidiaries

Investments in subsidiaries are recorded at cost.

Debtors

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

Cash at bank and in hand

Cash at bank and cash in hand consists of cash only.

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.

Pensions

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

2. DONATIONS

	2018		2017
	Unrestricted	Total	Total
	£'000	£'000	£'000
Donations	87	87	170
Gifts in kind	43	43	-
	130	130	170

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted	Restricted	2018	2017
	£'000	£'000	Total	Total
	£'000	£'000	£'000	£'000
Grants	-	1,569	1,569	1,382
Trading income	3,475	77	3,552	3,655
Basecamp participant fees	48	-	48	31
Other income	28	-	28	28
	3,551	1,646	5,197	5,096

Income from charitable activities for 2017 was broken down into the following categories:

	Unrestricted	Restricted	2017
	£'000	£'000	Total
	£'000	£'000	£'000
Central government	39	173	212
Local and regional government	41	-	41
Corporate and corporate foundations	3,128	239	3,367
Higher education	55	-	55
Not-for-profit organisations	182	79	261
Trusts and foundations	184	945	1,129
Individuals	31	-	31
Total	3,660	1,436	5,096

Income from charitable activities by programme

	UK/ Europe	Asia Pacific	India	US	2018	2017
	£'000	£'000	£'000	£'000	Total	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Sustainable nutrition	542	15	-	242	799	782
Sustainable value chains and livelihoods	464	172	15	59	710	559
Keeping global warming at 1.5°C	626	75	67	5	773	474
Building the capacity for systems change	308	-	-	191	499	316
Understanding what's emerging	347	99	-	124	570	-
Transformational strategies	603	339	133	223	1,298	235
Other	384	40	2	122	548	1,122
Asia Pacific	-	-	-	-	-	593
India	-	-	-	-	-	125
US	-	-	-	-	-	890
	3,274	740	217	966	5,197	5,096

The income in 2017 in Asia Pacific, India and the US was not accounted for by programme but includes elements of each of the programmes above.

4. TOTAL EXPENDITURE

	Charitable activities £'000	Raising funds £'000	Support costs £'000	2018 Total £'000	2017 Total £'000
Salary costs	2,441	69	857	3,367	3,284
Other staff costs	27	-	123	150	137
Publishing	89	-	3	92	93
Travel and subsistence	248	-	27	275	232
Consultancy	550	-	69	619	422
Events	83	-	2	85	57
Depreciation	-	-	79	79	68
IT costs	1	-	81	82	-
Legal and professional	46	-	75	121	-
Office costs and other	102	-	297	399	807
	3,587	69	1,613	5,269	5,100
Support costs	1,583	30	(1,613)	-	-
Total expenditure	5,170	99	-	5,269	5,100

Governance costs, included in support costs are further analysed below:

	2018 £'000	2017 £'000
Staff costs	18	-
Trustee expenses	1	1
Audit fees	31	31
Indemnity insurance	6	-
Other costs	-	1
	56	32

5. CHARITABLE EXPENDITURE BY PROGRAMME

	Programme costs £'000	Support costs £'000	2018 Total £'000
Sustainable nutrition	536	237	773
Sustainable value chains and livelihoods	525	232	757
Keeping global warming at 1.5°C	607	268	875
Building the capacity for systems change	403	177	580
Understanding what is emerging	804	354	1,158
Transformational strategies	712	315	1,027
	3,587	1,583	5,170

6. ANALYSIS OF STAFF COSTS, TRUSTEE REMUNERATION AND EXPENSES, AND THE COST OF KEY MANAGEMENT PERSONNEL

Staff costs were as follows:

	2018 £'000	2017 £'000
Salaries and wages	2,823	2,766
Redundancy and termination costs	41	-
Social security costs	240	248
Employer's contribution to defined contribution pension schemes	263	270
	3,367	3,284

In the UK, Forum for the Future operates a contract based, individual money purchase arrangement for staff pensions with Aviva. As at 31 December 2018, £33,000 (2017: £68,000) was owed for the November and December contributions, paid on 14 January 2019. There were 47 (2017: 52) members of staff enrolled on the pension scheme at the end of December 2018. In Singapore, pension arrangements 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. Forum India does not operate a pension scheme because the statutory requirements start from employers of over 20 staff.

The following number of employees received total employee benefits (including employer national insurance and excluding employer pension costs) within each of the following bands:

	2018 £'000	2017 £'000
£60,000 - £69,999	-	3
£70,000 - £79,999	3	-
£80,000 - £89,999	3	1
£90,000 - £99,999	-	1
£100,000 - £109,999	-	2
£110,000 - £119,999	2	-
£120,000 - £129,999	-	-
£130,000 - £140,000	1	-

The total employee benefits including employer national insurance and pension contributions of the senior management team were £709,000 (2017: £886,000). In 2018, the senior management team consisted of the Chief Executive Officer, Chief Operating Officer, Chief Development and Communications Officer, Chief Change Officer, Director of System Change, Learning and Community, Director of Futures and Projects and the Director of US.

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

	Salary, NI & pension	
	2018 £'000	2017 £'000
Jonathon Porritt	116,456	116,312
	116,456	116,312

Total travel and subsistence expenses claimed by Trustees (one) in 2018 were £38 (2017: £597 – also one claimant.)

7. STAFF NUMBERS

The average number of employees (head count based on number of staff employed) during the year was 65 (2017: 64.6). The average full-time equivalent analysed by function was as follows:

	2018 No.	2017 No.
Raising funds	1.1	0.8
Programmes	40.0	36.8
Communications	5.6	8.3
Support	10.3	12.3
Governance	0.4	0.8
	57.4	59.0

8. NET INCOME FOR THE YEAR

	2018 £'000	2017 £'000
This is stated after charging/ (crediting):		
Depreciation	79	68
Operating lease rentals:		
1 property	174	246
1 office equipment	12	18
Forum for the Future Group auditors' remuneration (excluding VAT):		
1 audit fee	17	18
1 other services	-	1
Forum for the Future Asia Pacific Limited auditors' remuneration:		
1 audit	4	4
Forum for the Future India Private Limited auditors' remuneration:		
1 audit	1	2
Forum for the Future US Inc. auditors' remuneration:		
1 audit	9	7
Foreign exchange gains or losses	6	(55)

9. RELATED PARTY TRANSACTIONS

Jonathon Porritt is a non-executive director of Willmott Dixon Holdings Ltd, from whom income of £30,000 was received during the year (2017: £20,000).

Forum for the Future administered a grant from The Marmot Charitable Trust for Sara Parkin's development of The Positive Deviant website. The grant for the total of £8,500 was given in 2013 and as of 31 December 2018 £1,995 was owed to Sara (2017: £1,995).

During 2018, Stephanie Draper was both Chief Change Officer of Forum for the Future and the Chair of The Sustainable Shipping Initiative (SSI). Forum for the Future charges SSI an annual management fee of £28,000 for the use of office space and overheads. In 2018 SSI bought services from Forum for the Future of £21,000 (2017: £13,000) and has a year-end debtor balance with the group of £6,250 (2017: £8,000). No donations were received from Trustees in 2018 (2017: £30,000)

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.

10. 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 2018. In 2018, Forum India incurred a tax liability of £34,556 (INR 3 million) in relation to intercompany transactions between Forum UK and Forum India. The tax liability is reclaimable through offset against monthly tax returns.

11. TANGIBLE FIXED ASSETS

All of the assets are used for charitable purposes.

The group:

	Improvements to Leasehold Property £'000	Furniture and fittings £'000	Computer, office equipment & software £'000	Total £'000
Cost				
At the start of the year	63	19	464	547
At the end of the year	63	19	464	547
Depreciation				
At the start of the year	63	19	250	333
Charge for the year	-	-	79	79
At the end of the year	63	19	329	412
Net book value At the end of the year	-	-	135	135
At the start of the year	-	-	214	214

The charity:

	Improvements to Leasehold Property £'000	Furniture and fittings £'000	Computer, office equipment & software £'000	Total £'000
Cost				
At the start of the year	63	19	438	520
At the end of the year	63	19	438	520
Depreciation				
At the start of the year	63	19	238	320
Charge for the year	-	-	74	74
At the end of the year	63	19	312	394
Net book value At the end of the year	-	-	126	126
At the start of the year	-	-	200	200

In 2017, the charity secured funding from C&A Foundation for the development of the project management system (PSA) and accounting software (Financial Force). As of 31 December 2018 the net book value of the software was £95,000 which is included in the restricted funds (2017: £118,000).

12. INVESTMENTS

The charity investments consist of the following entities:

Two £1 shares in Green Futures 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 13 July 2015. On 1 May 2016 it became a subsidiary undertaking through the appointment to the board of members of the senior management team of Forum for the Future.

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 is a registered charity in Singapore.

13. SUBSIDIARY UNDERTAKINGS

Forum for the Future Asia Pacific Limited

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.

	2018 £'000	2017 £'000
Turnover	740	755
Cost of sales	(440)	(373)
Gross profit	<u>301</u>	<u>382</u>
Administrative expenses	(194)	(172)
Profit for the year	<u>106</u>	<u>210</u>

The aggregate of the assets, liabilities and funds was:

Assets	349	83
Liabilities	(207)	(47)
Funds	<u>142</u>	<u>36</u>

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. The company accounts are audited separately by S S Puranik & Associates. Last audited accounts were for the period April 2017 – March 2018. Interim unaudited accounts for the period January 2018 – December 2018 were prepared and results consolidated into the group accounts.

	2018 £'000	2017 £'000
Turnover	225	166
Cost of sales	(129)	(85)
Gross profit	<u>96</u>	<u>81</u>
Administrative expenses	(90)	(79)
Profit on ordinary activities	<u>6</u>	<u>2</u>
Foreign exchange gains	2	-
Profit for the year	<u>8</u>	<u>2</u>

The aggregate of the assets, liabilities and funds was:

Assets	467	288
Liabilities	(471)	(300)
Share capital	(1)	(1)
Funds	<u>(5)</u>	<u>(13)</u>

Forum for the Future US Inc

The US operation is a not-for-profit under Section 501(c)(3) of the Internal Revenue Code. The accounts are separately audited by Skody Scot & Company and consolidated as part of the Forum Group.

	2018 £'000	2017 £'000
Turnover	966	949
Cost of sales	(787)	(561)
Gross profit	<u>179</u>	<u>388</u>
Administrative expenses	(184)	(347)
Profit on ordinary activities	<u>(5)</u>	<u>41</u>
Foreign exchange gains	6	(30)
Profit for the year	<u>1</u>	<u>11</u>

The aggregate of the assets, liabilities and funds was:

Assets	628	397
Liabilities	(577)	(348)
Funds	<u>50</u>	<u>49</u>

14. PARENT CHARITY

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

	2018	2017
	£'000	£'000
Gross income	3,396	3,396
Loss for the year	<u>(58)</u>	<u>(56)</u>

15. DEBTORS

	The group		The charity	
	2018	2017	2018	2017
	£'000	£'000	£'000	£'000
Trade debtors	1,227	590	541	382
Other debtors and prepayments	172	167	57	87
Amounts due from subsidiaries	-	-	570	402
Accrued income	807	322	312	305
	<u>2,206</u>	<u>1,079</u>	<u>1,480</u>	<u>1,176</u>

16. CREDITORS: AMOUNTS DUE WITHIN ONE YEAR

	The group		The charity	
	2018	2017	2018	2017
	£'000	£'000	£'000	£'000
Amounts due under finance leases	-	21	-	21
Trade creditors	170	270	158	228
Other creditors	159	165	118	119
Amounts due to subsidiaries	-	-	-	-
Accruals	139	109	109	84
Deferred income (Note 17)	1,076	485	473	305
	<u>1,544</u>	<u>1,050</u>	<u>858</u>	<u>757</u>

17. DEFERRED INCOME

Movements on deferred income were as follows:

	The group		The charity	
	2018	2017	2018	2017
	£'000	£'000	£'000	£'000
Deferred income brought forward	485	570	305	347
Amount released to income in the year	(283)	(570)	(103)	(347)
Amount deferred in the year	859	485	266	305
Balance at the end of the year	<u>1,076</u>	<u>485</u>	<u>473</u>	<u>305</u>

All restricted grants for the delivery of the projects have been treated as performance related grants. Income on these grants has been recognised on the basis of the level of performance delivered by the year end. Grants received for the funding of the central support functions have been recognised in full in the year of receipt.

18. CURRENT YEAR ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

	Unrestricted £'000	Restricted £'000	Total funds £'000
Tangible fixed assets	40	95	135
Net current assets	616	625	1,241
Net assets at the end of the year	<u>656</u>	<u>720</u>	<u>1,376</u>

Prior year analysis of group net assets between funds

	Restricted		Total funds £'000
	Unrestricted £'000	(restated) £'000	
Tangible fixed assets	215	118	333
Net current assets	285	700	985
Net assets at the end of the year	<u>500</u>	<u>818</u>	<u>1,318</u>

In the financial statements for the year ended 31 December 2017 the amount of £118,000 of tangible fixed assets was incorrectly included as unrestricted and unrestricted net current assets understated by £118,000. The table above has been restated with the correct position.

19. MOVEMENT IN RESTRICTED FUNDS

2018	Note	At the start		At the end		
		of 2018	Income	Expenditure	Transfers	of 2018
		£'000	£'000	£'000	£'000	£'000
Projects with restricted funds:						
School of System Change	a	116	382	(316)	-	182
Future of Civil Society	b	119	159	(278)	-	-
Protein Feed	c	63	154	(168)	-	49
Cotton 2040	d	-	147	(147)	-	-
Smarter Travel Solutions	e	-	233	(233)	-	-
Core funding	f	388	120	(195)	-	443
Future of Community Business	g	87	-	(87)	-	-
PowerPaired	h	-	197	(70)	-	(3)
OneLess programmes	i	-	60	(60)	-	-
Circular economy Asia	j	-	71	(61)	-	10
Other	k	45	122	(125)	(3)	39
		818	1,646	(1,741)	(3)	720

a) The funding for School of System Change included Lankelly Chase Foundation, Garfield Foundation, British Embassy in Moscow, International Alumni Centre in Berlin and Mitsubishi Corporation Foundation for Europe and Africa, as well as funds carried forward from 2017 from American Express and Target Foundation.

b) The funding received in 2018 included The Baring Foundation, Open Society Foundations and Esmee Fairbairn Foundation.

c) We received funds from WholeKids Foundation and Target Foundation for our activities on Protein in US in 2018.

d) We received funds from C&A Foundation and Target Foundation for our work on Cotton 2040.

e) We completed the Smarter Travel Solutions projects funded by Innovate UK and the last instalment of the grant was recognised in 2018.

f) Funding from Postcode Earth Trust was received in 2018.

g) Future of Community Business was funded by Power to Change in 2017 with funds carried forward and spent in 2018.

h) The project received the funding from Friends Provident Foundation.

i) The project received funding from the Zoological Society of London (ZSL).

j) The funding for Circular Economy project in Asia included monies received from C&A Foundation and Singapore Economic Development Board.

k) Other projects and funders included Tea Swaps in Kenya funded by the Department for International Development through PricewaterhouseCoopers Services Ltd, Reducing Plastic Waste funded by P4G, Hot or Cool Network funded by KR Foundation among others.

2017	At the start	Income	Expenditure	Transfers	At the end
	of 2017	£'000	£'000	£'000	of 2017
	£'000	£'000	£'000	£'000	£'000
C&A Foundation	247	287	(147)	-	387
EU-InnovatE	45	(45)	-	-	-
Baring Foundation	21	250	(252)	-	119
Calouste Gulbenkian	16	38	(29)	-	25
Waterloo Foundation	20	10	(20)	-	10
Joseph Rowntree Charitable 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 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
Total restricted funds	548	1,461	(1,168)	(23)	818

20. OPERATING LEASE COMMITMENTS

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

	Property		Equipment	
	2018	2017	2018	2017
	£'000	£'000	£'000	£'000
Less than one year	-	86	-	-
One to five years	356	150	18	38
	356	236	18	38

21. STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 2017

	Unrestricted £'000	Restricted £'000	Total £'000
Income from:			
Donations	145	25	170
Charitable activities	3,660	1,436	5,096
Total income	3,805	1,461	5,266
Expenditure on:			
Raising funds	(41)	-	(41)
Charitable activities	(3,891)	(1,168)	(5,059)
Total expenditure	(3,932)	(1,168)	(5,100)
Net income/(expenditure) for the year	(127)	293	166
Transfers of funds	23	(23)	-
Net income/(expenditure) for the year	(104)	270	166
Reconciliation of funds:			
Total funds brought forward	604	548	1,152
Total funds carried forward	500	818	1,318

22. 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.

Find out more about Forum for the Future's work at forumforthefuture.org, thefuturescentre.org, or via LinkedIn, Twitter and Facebook.

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Company number: 2959712
Charity Number: 1040519