Company number: 2959712
Charity Number: 1040519

Forum for the Future

Annual report and financial statements
for the year ended 31 December 2021



TUESDAY
ABBGI97F
A08 30/08/2022 #68
COMPANIES HOUSE

Forum for the Future is an international non-profit organisation with a purpose to accelerate the transformation toward a more just and regenerative future. We operate in four offices located in the UK, US, Singapore and India. This Annual Report gives an overview of our ongoing work with business, government and wider civil society, with the dual purposes of catalysing change in global systems and building capacity among individuals and organisations to act systemically.

Find out more about our work at forumforthefuture.org, thefuturescentre.org, or via LinkedIn, Twitter and Facebook. Read the latest from our *Future of Sustainability* campaign, *Looking Back to Go Forward*, which highlights lessons learned - good and bad - from three decades of sustainability efforts and explores what it all means for what's next.

CONTENTS

Message from the Chair and Chief Executive 3
Trustees' report 5
Introduction 5
Objectives and activities 6
Plans for the future 17
Financial review 19
Managing our own social and environmental impacts 22
Our people 25
Principal risks and uncertainties 29
Structure, governance and management 31
Statement of directors' responsibilities 33
Reference and administrative details 35
Independent auditor's report to the members of Forum for the Future 37
Financial statements 43
Notes to the financial statements for the year ended 31 December 2021 46

Message from the Chair and Chief Executive

2021: marking our 25th anniversary and laying the groundwork for a new strategic direction

2021 was Forum for the Future's 25th anniversary year - a natural inflection point for us to step back and challenge ourselves to be even more ambitious given the growing urgency of our climate, biodiversity and social crises. The unsettled times we continue to live in are laying bare the need for people and organisations to equip themselves with the capacity to embrace uncertainty, navigate change, and develop future-fit strategies with the potential to transform how we live and work.

It's against this backdrop that Forum carried out its own strategic review - beginning to refine our role in creating transformation, and developing a new strategic direction set to come into play in Summer of 2022. Our new strategy will hone in on the major transitions already identified around the world and enable us to more concertedly focus our efforts to ensure these transitions run deep, and with real transformative potential to tackle the root causes of our most critical challenges as urgently as we all need.

Alongside this, Forum refined its organisational mission, setting our sights well beyond conventional (and no longer sufficient) visions of a 'sustainable' future to a truly 'just and regenerative' one. We have doubled down on our calls for a reset in ambition across the sustainability movement, to work with all our partners and associates for truly just transitions that leave no one behind, and systemic approaches that break down the silos which can currently ring-fence environmental and social efforts. What's needed is nothing less than wholescale system change, with interventions designed in integrated ways capable of delivering multiple benefits across multiple systems. We are proud that at Forum we have developed the thinking, track record and practical tools to make a unique contribution.

This thinking is already rippling across our programmatic work, particularly in: the launch of Forum's thought-leading *Compass for Just and Regenerative Business* report; our ongoing efforts through the *Responsible Energy Initiative* to ensure India's energy transition to renewables is both deep and just; our *Growing our Future* collaboration with key players across the US agriculture system to scale the adoption of regenerative approaches; and in our continued work as part of the *Cotton 2040* initiative to mainstream sustainable cotton. Highlights from these programmes and more are captured in this Report.

We also used our 25th anniversary to look back at 25 years of the sustainability movement and consider what has and hasn't worked – and why, sharing our insights in our latest *Future of Sustainability* thinking. Here we explored the biggest questions facing the movement right now, along with the implications of all we've learned for what's next. With new analysis and insights from both leaders and lesser-heard voices, we took a hard look at how the world has changed since we were founded, and what it will take to move beyond the shallow transitions we're seeing across multiple sectors to deep transformational change.

From vested interests perpetuating the status quo to a focus from multiple players on the maximisation of short-term value over longer-term human and planetary health, it's clear that wide-ranging barriers have held sustainability back. Forum is particularly well-placed to address three of these barriers: the development of piecemeal 'solutions' that fail to address the root causes of our challenges; the lack of integration of social justice considerations; and siloed approaches that have unintended consequences or fail to address the root causes of issues.

It's also clear that real hope remains, if only we begin to think and act differently. Forum will hone its strengths on six things that we believe can propel the sustainability movement forward: driving a socially just transition; multiple actors stepping up at scale and pace; shifting our mindsets to work *with,* not against, turbulence, while embracing long-term thinking over short-term gain; drawing on niche innovations; not giving up and not getting stuck; and lastly, facing up to some very tough choices in the fundamentals - from why our businesses and organisations are really here, to how our economies operate. It's in these areas that we feel uniquely placed to use our skills and experience to add real value.

Elsewhere, 2021 saw a myriad of moments in which the sustainability movement came together – from the UN Food Systems Summit to COP26. Forum leveraged these to challenge key players to do more, and quickly. For decades, we have all gathered around conference tables but, now more than ever, action needs to swiftly follow talk. Our work to influence these moments will continue in 2022.

Internally, we have continued to strengthen the organisation, bringing on board 31 new colleagues, reflecting both organic growth and natural attrition, to support and deliver increasingly ambitious programmes running out of offices in London, New York, Singapore and Mumbai. Meanwhile we are reaffirming our commitment to equality, diversity and inclusion, not only in how we design and deliver our programmes but in the people we hire and the Forum culture that our team continues to both create and cultivate.

We very much want to acknowledge and thank our trusted partners and supporters across business, government and civil society. Our long-standing partnerships are delivering hugely impactful programmes and we hope you are as proud as we are of the impact we are having, together.

In the 25 years since Forum was founded, the world has radically changed, but our mission to reimagine the way it works is as relevant as the day we first opened our doors. Going into our 26th year, we're confident Forum's continued adaptability, resilience and resolve – underpinned by a new strategy - will help ensure we go from strength to strength.

Rita Clifton CBE 7 June, 2022

Chair, Forum for the Future

Dr Sally Uren OBE 7 June, 2022

Chief Executive, Forum for the Future

Trustees' report

Introduction

The Trustees, who act as directors for the purposes of company law, present their report and audited financial statements for the year ended 31 December 2021, which have been prepared in accordance with the requirements of a directors' report, as required under company law, 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

Forum for the Future's mission is to accelerate transformation to a more just and regenerative world by catalysing change in key systems – from food to apparel and energy – and by cultivating the capacity for individuals and organisations to act more systemically.

From offices in London, New York, Singapore and Mumbai, we are delivering on this mission by:

- facilitating collaborative action that unlocks new approaches
- supporting and stretching organisations with ambitious strategies
- building capacity to act systemically
- scanning horizons and reimagining the future.

Where we focus

Forum is focused on playing a role in addressing three key global challenges: sustainable food, sustainable livelihoods and value chains, and keeping the world within 1.5°C net global warming. In each area of work we are developing and delivering a portfolio of projects capable of demonstrating that creating a more just and regenerative future, underpinned by a fairer and more distributive economic system, *is* possible. As part of this, we're making the case to move from an economic system that is fundamentally extractive in nature to one that balances the needs of nature, individuals and economy.

As we do this, we are also working to push the future edges of sustainability – to unlock new approaches and identify areas of potential for change. And we are actively working to build the field of system change – developing and sharing learnings in collaboration with a wide range of partners.

Our work continues to be driven by a focus on where we believe Forum can add the most value: building and leveraging our deep relationships with global organisations across all sectors, and across both the for profit and non-profit worlds, strengthening our geographic presence in key global markets and above all, demonstrating and harnessing our expertise in systems change and futures.

Objectives and activities

Summary of memorandum and articles of association

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

Public benefit

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

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

Advance the education of the public in economic and social studies as they relate to individuals, communities, society at large and the planet as a whole, with special reference to their interrelationship with ecology, the natural world, health, technology, agriculture, sustainable development, philosophy and psychology.

- 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;
    - relief of poverty and the improvement of the conditions of life in socially and economically disadvantaged communities;
    - 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 discuss 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. And we educate people to make those changes, improving capacity for the organisations they deal with to provide public benefit.

Forum also aims to benefit the public by providing information about the path to a sustainable future. We communicate widely about our work through free events, free 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 media across the globe as another way of sharing our work and influencing the sustainability narrative.

Forum has continued to deliver against these charitable objects in 2021.

Summary of activities and achievements in 2021

Forum is working with its partners, funders and collaborators on three key challenges: sustainable food, sustainable livelihoods and value chains, and keeping the world within 1.5°C net global warming. As part of this, we are building the capacity for systems change for sustainability, challenging and supporting organisations to drive ambitious change, and reimagining the future. Here, we summarise key 2021 activities for these six programmatic areas.

1. SUSTAINABLE FOOD

Food systems took centre stage in 2021. The UN Food Systems Summit in particular galvanised the sustainability movement around the critical need to reinvent how we produce and consume food in order to tackle not just the climate crisis, but also growing inequality.

2021 saw us advance our work on sustainable food systems through a number of collaborative projects focused on regenerative agriculture and sustainable protein, and through work with major food companies.

Examples include:

- ***Growing our Future***, a collaborative programme looking at how we can scale regenerative agriculture in the United States. In 2021, with funding from the **Walmart Foundation**, **VF Foundation** and **Nestlé**, *Growing our Future* brought together stakeholders from more than 100 organisations to design ways to drive tangible action at scale and pace. Work is now underway in three focus areas with high potential for impact: policy change, financing the transition and creating pathways to market.

- ***scaling regenerative agriculture in the UK***. The scale of farming transformation required to meet carbon and biodiversity goals requires significant investment and practice change. With funding from the **John Ellerman Foundation** and **People's Postcode Lottery**, Forum aims to unlock the potential for food companies to support farmers, overcome barriers to action, and create a more coherent path for others to follow. We are partnering with **Soil Capital** (agronomists), retailer **M&S**, one of its suppliers and 20 of its potato farmers to pilot interventions towards regenerative agriculture and better understand impact. With M&S funding, Soil Capital's benchmarking tools will generate on-farm data on soil health, carbon emissions, and the impacts of changes farmers make. Pilot intervention design and baseline data were completed in 2021, and we will facilitate the pilots in 2022-2024. Initial insights will be shared widely with the food and agriculture sector in 2022.

- ***Protein Challenge Southeast Asia***, which aims to ensure that any interventions on the protein challenge enable both social justice and environmental regeneration as part of successfully building resilience. We know that harnessing the unprecedented dynamism around protein innovation and sustainable livestock production could drive multiple benefits and help deliver wider shifts in the food system in the region. However, Forum's 'case for action', published in October, revealed that the prevailing mindset favours mechanistic or technological interventions to scale up low-carbon solutions, drive efficiency and improve food security, and does not support solutions that address the wider social, economic, and environmental challenges in food production.

  With funding from **Path Foundation**, **People's Postcode Lottery** and the **Singapore Economic Development Board**, we are focused on advocating for just and regenerative outcomes for ecosystems, smallholders and food sector workers in Southeast Asia's protein system.

- the ***Great Protein Transformation Challenge***, which is asking often-overlooked questions in food systems transformation - particularly how all the energy and investment flowing into protein transition can support regenerative agriculture, food equity, nutrition and health, and a just rural transition. Recognising the importance of bringing together diverse voices to visualise the future

and identify routes to action, we tested a new model of 'Action Sprints', courtesy of our funders Nestlé Research, Hershey's and Volac. Our first Sprint on 'Better Plant' allowed us to test a time-bound, hackathon-style approach while answering the question of how plant-based innovation can support better access to good food for all. This process generated a 'checklist' for those working in research and development / start-ups to ensure their innovations are 'just'. Our findings also presented a wider call to action of the industry to collaborate moving forward. Building on this, we have begun to plan for our second Sprint, supported by **WWF-UK**, which is set to explore a shared, ambitious action agenda around salmon feed.

- the ***Food Systems Gamechangers Lab***, funded by the **Rockefeller Foundation** and in partnership with **EAT**, **IDEO** and **Thought for Food**, which enabled more than 400 organisations with innovative ideas for food system transformation to come together to create coherent strategies for scaling their solutions. These covered 24 diverse food system intervention areas, from food loss and waste to alternative proteins, to regionalised food hubs. The resulting solutions were taken to the UN Food Systems Summit to be matched with potential donors and investors.

  Working with the School of System Change, Forum designed the systemic strategy design process which underpinned the project and coached the project's facilitators on systems and future-thinking over a three-month period. Ultimately, this helped ensure the ideas pitched had systemic, long-lasting potential, considered the need for a just transition that leaves no-one behind and were truly ambitious given the scale of the global food challenge. Feedback was positive, with participants saying they grew their capability through the process and felt more empowered to develop their solutions systemically. More details on the programme and its outcomes can be found online.

2. SUSTAINABLE VALUE CHAINS AND LIVELIHOODS

Another year of pandemic disruption coupled with political uncertainty and extreme weather events meant that the vulnerability of our current supply chains made headlines throughout 2021.

Alongside key partners, Forum has for years been working to make supply chains more sustainable. In 2021, we advanced this work through:

- ***Cotton 2040***, an ongoing programme that engages nearly 90 organisations to mainstream sustainable cotton production and use. Participants include over 40 value chain actors (producers organisations, agribusiness, manufacturers, traders, brands and retailers), finance, membership organisations, standards/certification, research, civil society and public sector. This initiative moved into new territory in 2021. A landmark report, published in June, provided a first-of-its-kind global analysis of climate risks to cotton production. Supported by **Laudes Foundation** and conducted by *Cotton 2040* partner and climate-risk specialists, **Acclimatise** (part of **Willis Towers Watson**'s

Climate and Resilience Hub), the ***Physical climate risk assessment for global cotton production*** report revealed high risks for at least half of all cotton growing regions. It also demonstrated how unprepared the cotton industry is for the threat climate change poses to crops, farmer livelihoods and the wider cotton value chain. Following the publication of the report, Forum convened across the sector to raise awareness of the need to think about adaptation at the systems level. This led to five potential models for piloting solutions, including an ecosystem services approach that will be tested in 2022.

- our ***Tackling Microfibres at Source*** project. With funding from **UNDP** and the **Singapore Economic Development Board (EDB)**, and in partnership with **Ramatex**, **Nanyang Environment and Water Resources Institute**, and **Universiti Teknologi Malaysia**, Forum is working to develop solutions to reduce microfibre shedding during the manufacturing process - ultimately helping tackle plastic pollution in our oceans and enable a circular economy in fashion. As part of this, Forum is bringing together manufacturers, members of the scientific community and key players in the fashion industry to collaborate and co-create solutions - building off the insights gathered through Forum's *Circular Leap Asia* programme on scaling circular solutions in the fashion industry.

3. KEEPING GLOBAL WARMING TO 1.5°C

The depth of the climate crisis hit home in 2021, with the launch of the IPCC's Sixth Assessment Report and the long-awaited COP26 in Glasgow. Forum focused on running multi-year collaborative projects designed to ensure that the rapid energy transition we're currently seeing is truly just and transformative, leaving no-one behind. We also aimed to ensure that key stakeholders engage with the idea that the climate crisis is deeply connected to other global crises and that solutions must drive co-benefits for both people and nature. Activities included:

- launching the first report from our ***Responsible Energy Initiative***. Titled *Renewable to Responsible Energy: A Call to Action,* the report launched in March and provides a broad understanding of the environmental and social impacts being generated by the Indian renewable energy (RE) sector, and the extent to which these impacts are currently being governed, managed and mitigated. Recognising that the challenges we face are systemic - affecting multiple sectors and requiring international alliances - the report provides a strong foundation for the next stage of the inquiry, where ambitious RE developers, investors, financiers, procurers, policy-makers and civil society will collaboratively set new norms for a responsible RE system in India.

  The *Responsible Energy Initiative* in India is delivered in partnership with the **World Resources Institute** (WRI) India and **The Energy and Resources Institute** (TERI) as core partners, and with

support from **Business and Human Rights Resource Centre** (BHRRC), **Landesa** and **WWF India** as expert partners. The programme is supported by the **MacArthur Foundation**, **S&P Global Foundation**, **UK Foreign Commonwealth & Development Office (FCDO) India,** and **SED Fund.**

- partnering with UK public participation charity, **Involve**, to pilot **community-led just transitions in the UK** and support a positive narrative on the transition to net-zero economies. Funded by Centrica's **Energy for Tomorrow Fund**, **Friends Provident Foundation**, **Joseph Rowntree Charitable Trust** and **Treebeard Trust**, this initiative saw its first pilot - 'Our Zero Selby' - launch in September, followed by community engagement on five topics the community identified as important: buildings, nature, food, travel and waste. We have also engaged local businesses, civil society and the public sector to support the community in taking forward its transition plans, while a second pilot is currently being scoped.

  Beyond the pilots, we aim to support scaling of community-led just transitions by engaging civil society, policymakers and the public sector, funding and business organisations, to set out a future vision, potential intervention areas, and make recommendations.

- launching a major new report to urge businesses to tackle climate and health crises *simultaneously*, and in integrated - rather than siloed - ways. In partnership with **Bupa**, **GSK Consumer Healthcare** and **Walgreens Boots Alliance**, the *Driving Co-Benefits for Climate and Health* report recognises the intrinsic links between planetary and human health, and provides guidance and a series of recommendations for businesses on how to leverage their net zero strategies in a way that accelerates change across *both* interlinked challenges.

4. BUILDING THE CAPACITY FOR SYSTEMS CHANGE FOR SUSTAINABILITY

Forum launched the *School of System Change* five years ago to inspire change-makers and provide them with the capabilities to lead system change initiatives. Through learning offerings involving high-level international thinkers and practitioners, the School equips people from NGOs, social enterprises, businesses, governments, philanthropy and more to navigate and address complex challenges. We produce a wide array of learning experiences, tools and case studies, and amplify others' work in a global field of system change practice. We also support organisations to design and embed systems change strategies. In 2021, activities included:

- welcoming 100+ changemakers into our School of System Change community through several editions of our six-month ***Basecamp*** programme in the US, in Europe in partnership with **DRIFT**, our first cohort in Eastern Europe and Central Asia in partnership with **MitOst**, a new thematic

cohort focused on health systems transformation in partnership with **J&J Foundation**, as well as two shorter ***Spark*** cohorts exploring systems change facilitation.

- launching a new modular ***Investors in Change*** course for funders from philanthropy, impact investment and public sector bodies - in partnership with **Catalyst 2030**, **Ashoka**, **Lankelly Chase** and other pioneer systems change funders.

- leading the **Illuminate Network**'s efforts to visualise the field and practice of systems change internationally by creating a network affinity map of more than 400 practitioners. We know that collaboration and coordination is key to systems change yet the field is fragmented. The map aims to tackle this by creating stronger connections among people, organisations and the resources they need. Initiated in 2020, the map's first full iteration is now live and in 2022, it is set to become a growing tool, invaluable to those working on system change.

5. CHALLENGING AND SUPPORTING ORGANISATIONS TO DRIVE AMBITIOUS CHANGE

Forum has built a reputation for acting as a critical friend to major global corporations, challenging them to stretch their ambition, to become leaders, and to influence change in the systems they are part of. In 2021 these engagements included working with:

- the CEO-led World Business Council for Sustainable Development (**WBCSD**) and wide-ranging partners to launch a new report and set a new bar for corporate sustainability efforts. ***A Compass for Just and Regenerative Business*** outlines the business imperative to shape a just and regenerative future, presents a working definition of what it means to be 'just' and 'regenerative', and introduces a new 'Business Transformation Compass' tool to help leaders navigate the shifts needed.
- **Target** to develop its *Target Forward* sustainability strategy. This saw us engage key teams within the US retail business on what their vision of co-creating an equitable and regenerative future would mean for setting their strategy. As a critical friend, we then inputted to their draft 2030 targets to ensure they are commensurate with what their operating context needs.
- the **Kering Group** to shape and deliver the meetings of their internal sustainability teams across its brands, and to design and facilitate their annual sustainability conference for sustainability teams and other key stakeholders throughout the Group. These gatherings are key to developing and communicating best practice and thought leadership. This year's conference focused on the intersection of luxury fashion and sustainability and took a dive deep into the topics of centring human rights in brand strategy and engaging with Kering's consumers on its sustainability journey.
- **Co-op Food**, one of the UK's major food retailers, to shape their approach to building biodiversity into their food strategy. Forum synthesised the latest thinking on business and biodiversity impacts

and facilitated Co-op in exploring its potential to support biodiversity net gain across its operations, building and supply chain. This included using Forum's Feed Compass framework to increase uptake of sustainable animal feed to inform their feed strategy. The Co-op team described the process as one of the most stretching and exciting they had engaged in, and will take the work further towards strategy in 2022.

- motorcycle brand **Royal Enfield** on a robust futures-into-strategy process. Through a series of workshops with the executive and senior leadership teams, we explored futures trends, industry and issue insights, while also running a capability building programme to equip the organisation's leaders with the understanding needed to set a trailblazing sustainability strategy.
- semi-state agency, **Bord Bía** (The Irish Food Board), which commissioned us to support the establishment and facilitation of their *Origin Green Global Council.* As well as helping design and input to this, we supported the organisation to set its 2030 vision and strategy, and to clarify what a focus on sustainable nutrition would mean in the Irish context.

6. RE-IMAGINING THE FUTURE

Creating a better future starts with imagining what multiple futures could look like, and the various pathways that get us there. Forum is a leading practitioner in futures thinking and 2021 saw us:

- launch the ***Future of Sustainability: Looking Back to Go Forward*** campaign, which put the spotlight on what lessons have been learned from 25+ years of sustainability efforts, and how they can help us in pursuit of a more just and regenerative future. In a first, the campaign offered a platform well beyond Forum, engaging both mainstream and lesser-heard voices working at the forefront of sustainability to: understand what has (and has not) worked to date - and why; explore some of the biggest questions proliferating across the sustainability movement right now; and present a series of implications for what's next *(see more, page 16).*
- continue to build Forum's innovative **Futures Centre**, funded by Omidyar Network. Beyond a focus on maintaining an engaging, open-source and participatory platform, we diversified our outreach activities to engage audiences in leading futures practice. This saw us launch the *Futuring Podcast*, through which we invite wide-ranging leaders from the world of sustainability to explore multiple futures in the decade of disruption.
- launch a series of dialogues with **Johnson & Johnson's Center for Health Worker Innovation** focused on the role of community health in building a vision for a resilient health future for all. Engaging health practitioners, community health workers, health policymakers and tech innovators, we explored what's waning in our current health systems, what future is being shaped, and what innovations and mindset shifts are needed to create the future we want.

Hosted on the Futures Centre, 'Live Research' models such as these allow a concerted focus on key sustainability questions and an opportunity to galvanise audiences around them, crowdsourcing insights and challenges that we otherwise could not achieve alone. It is a model we will further develop in 2022.

- partner with a multinational bank on their social impact strategy. Through a future scenarios process, the project aims to provide the bank with strategic focus areas and an overall narrative for its positive social impact, including key considerations around how a financial institution implements a global social impact strategy in different regions, particularly in Asia. Forum is working closely with the highest-level decision makers in the bank, bringing an opportunity to shift its position on how it aligns social and environmental principles and potential for significant impact.

***The Future of Sustainability - Looking Back to Go Forward* - lessons from our exploration of what the past can teach us about the future**

In November 2021, Forum launched *The Future of Sustainability: Looking Back to Go Forward*, a unique opinion and commentary series spanning six months that:

- explored lessons learned from the last 25 years in the sustainability movement; where have we succeeded in creating real change and where have we failed? And what does that tell us about how we need to do things differently?
- synthesised exclusive insights from diverse voices across the sustainability movement to examine how the world is responding to today's multifaceted challenges and opportunities, and what pivots might be needed
- considered what this all means going forward. How can we drive greater change at pace and scale? And how can we encourage the adoption of new mindsets and approaches critical to creating what's really needed: a truly just and regenerative future?

In a first for Forum, we used the *Future of Sustainability* not just for our own thought leadership, but as a platform for both mainstream and lesser-heard voices working at the forefront of sustainability - resulting in wide-ranging perspectives on where the sustainability movement has been, and where it's going. Below provides a snapshot of just some of what was heard:

"The past is all around us. It shapes the institutions that we work in, the societies that we live in, and the language that we use to conceptualise our problems. The past is part of who we are and how we understand the present and future that we face." - **Dr Nandini Pandey, Associate Professor of Classics at Johns Hopkins University**

"The mess we are currently in is because of our inability to truly acknowledge the past and to stop the unfortunate events in history that occur over and over and over again. I have learned from spending a lot of time imagining alternative futures that really there's so much work to do in uncovering the past.... so that we can move forward." - **Nour Batyne, Producer and Creative Director of Resilience 2032, social media theater about the future**

"If governments really want to start doing a better job, they need to maximise ways in which community-led organisations can change people's lives for the good. This is a huge combined resource - and we need to give it what it needs to prosper and thrive." - **Jonathon Porritt, environmental activist, author**

and Co-Founder of Forum for the Future

"During these 25 years, we've seen extraordinary advances in our understanding of how our planet is a self-regulating system, where the living systems – the biology, the biosphere – interact with the chemistry and physics of ice sheets, of atmosphere, of oceans. And at the same time, we've seen this dramatic, exponential rise in unsustainable pressures on the planet – and that has occurred right in this period, right in the last three decades." **- Johan Rockstrom, Director of the Potsdam Institute for Climate Impact Research and former Director of the Stockholm Environment Institute and Stockholm Resilience Centre**

"It is not just about what indigenous people do – it's about what indigenous people are. Our whole world view is different from the developed world view. There is such a difference between those who prioritise the health of nature, and those who are focused on so-called development. When people speak of development, it is really important to ask: 'Development by whom, for whom, and for what?'" **- Archana Soreng, a member of the UN Youth Advisory Group on Climate Change and an activist on the environment and indigenous rights in India**

"Given the complexities of the tasks we face, we can't achieve the richest outcomes we want on our own, and we shouldn't even try. We need one another. And that is where agency lies." **Aaron Maniam, a Singaporean civil servant currently serving as Deputy Secretary (Industry and Information), Ministry of Communications and Information**

"We have a proverb in Cameroon which says, 'If you train a man, you have just trained one person. If you train a woman, you have trained a nation'.... As the years go by, more and more women are becoming involved in environmental programmes, and at the pace we are moving, I think by 2025 they will occupy 20% of leadership positions." **- Stephanie Lamma Ewi. Based in Cameroon, Lamma works with youth, women and community groups on climate adaptation and advocacy**

"As the system starts to break up around us, [we have to ask] now what? What are we now trying to build? And I find that both exciting and terrifying in equal measure..... I think we're right on the cusp of things potentially changing. But the question is, do they go in our direction – or somewhere else?" **- John Elkington, Founder and Chief Pollinator at Volans and one of the original founders of the sustainability movement**

"We need everyone to come to the table and find ways of building trust, because all of us are interested in the same results. We are all interested in a better environment, we are all interested in economies that can survive and that can assure the prosperity of our environment as well. That balance has to be found, and the private sector has a huge part to play in doing so." **- Dr. Agnes Kalibata, UN Special Envoy to the Food Summit**

Sustainability, today

The campaign's second phase explored some of the biggest questions facing the movement right now. How has the world continued to respond to the extreme turbulence wrought by COVID-19? What is system change? Is our food system set to unravel or transform? What is meant by the 'just transition'? What alternative economic models are bubbling in the niche with potential to challenge long-standing economic assumptions? How and why is the role of business, the finance and the philanthropic sectors changing?

Based on these insights, we believe three things have held progress back: piecemeal 'solutions', the absence of social justice in interventions, and siloed approaches that have driven unintended consequences. But hope remains, and we feel six things will propel the movement forward: driving a truly socially just transition; multiple actors stepping up to help create and seize opportunities to drive change; shifting mindsets to build synergies, prioritise the long-term and work with turbulence; drawing on energy and innovation at the niche; not giving up, and not getting stuck; and, lastly, facing up to tough choices in shifting the fundamentals of how we live and work.

Through the *Future of Sustainability*, Forum is calling on key players to reset their ambition, focus on ensuring just transitions that leave no one behind, and using systemic approaches that break down the silos ring fencing environmental and social efforts. We will also continue to offer a platform to lesser-heard voices - those who are often excluded from the decisions that most impact them.

With thanks to our partners
Looking Back to Go Forward was made possible thanks to the generous support from our partners: Laudes Foundation, GSK Consumer Healthcare, Target, M&S, Capgemini, Bupa, 3M, the Cosmetic Toiletry & Perfumery Association (CTPA), Burberry, Olam Food Ingredients, and in particular our headline sponsor, SC Johnson.

Plans for the future

Our 2020 Annual Report outlined four aspects to our plans for the future: reviewing and refining Forum's three-year strategy; focusing on priority areas of work that demonstrate change; creating new tools and approaches to support ambition and transformation among our partners and the wider world; addressing ongoing and emerging dynamic themes; and generating income while fine-tuning our business model.

Progress against these areas have been highlighted in this Report. All are set to continue as key priorities in 2022 and beyond. Over the coming year we will also add new key areas of focus including:

1. **Finalising and operationalising our new organisational strategy for 2022-2025,** including:
    a. ***defining and honing in on key sustainability transitions***. We will work to ensure deep transformation rather than a shallow transition in 3-5 key shifts already underway - and in doing so, have - and enable - greater impact on our environmental and social issues.
    b. ***putting a stronger focus on futures***. Forum is a leading thinker in the field of futures and foresight and it is clear that, now more than ever, the ability to understand and embrace the disruption cascading around us, to imagine multiple futures, to scope the pathways needed for us to get there and to identify risks and opportunities, will be invaluable in ensuring resilience and adaptability. Forum will reinvigorate its futures practice, not only upskilling Forum staff, but expanding our portfolio of futures projects with both existing and prospective partners.
    c. ***getting clear about what we mean by a 'just and regenerative' future.*** For too long, environmental and social interventions have been designed and implemented in silo from one another, yet there is momentum building for a 'just' *and* 'regenerative' future - one that meets the needs of both people *and* the planet, underpinned by solutions capable of benefiting both simultaneously. While there is a lot of energy in this space, there is not yet a clear definition of what a just and regenerative future really means or looks like, and there is little alignment around how we get there. In 2022, Forum will clearly define and advocate for a just and regenerative future, making it the centre of our programmatic work and thought leadership.

2. **Strengthening the School of System Change**. 2022 will mark five years of the School of System Change and we will be taking the opportunity to develop the School's proposition based on how the landscape has evolved over this time. As part of this, we will better clarify the School's position in the multiple markets it operates in, while also better defining, articulating and communicating its unique offer to attract and retain participants. Longer-term, we will build the capacity of more and more people to develop systemic solutions to the challenges they face.

3. **Income generation.** Forum cannot develop or deliver its game-changing programmes without the support of others, from businesses and trusts to foundations and philanthropists. We will continue to create and/or cultivate our relationships with both new and existing funders and partners and as part of this, build an income pipeline that ensures Forum's resilience and capacity to deliver multi-year programmes, with impact and across multiple markets. We will also take an agile approach to embrace short-term projects where there is a clear opportunity for partnership and immediate impact.

Financial review

Despite the continuing challenges and impacts of the COVID-19 pandemic our finances remain resilient and the modest growth in our unrestricted reserves means we are starting 2022 in a stronger position than at the start of the pandemic.

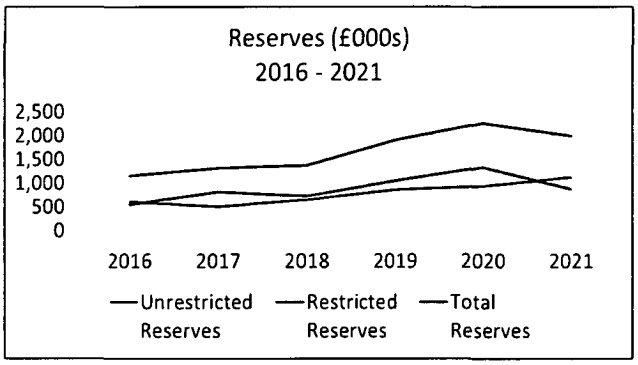
Our overall income fell to £5.1m from £5.8m, but this mainly reflects the timing of recognition of restricted funding. We had a large grant receipt late in 2020 that was recognised as income (in line with accounting standards) in that year, carried forward as a restricted fund and then spent over 2021 and 2022. Overall expenditure for 2021 was £5.4m, in-line with 2020.

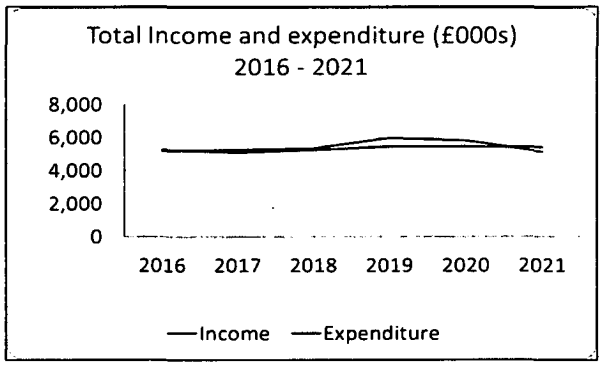
Our key bottom line is our unrestricted position, and we generated an unrestricted surplus of £182,000 (2020: £76,000) and increased our unrestricted funds to £1,117,000.The ongoing pandemic does continue to have some impacts on our ability to generate and grow income but a positive financial result has been achieved despite this due to careful cost management.

The timing of this income recognition means that we had, as expected, a restricted deficit for the year of £456,000 (and overall deficit of £273,000), compared with the restricted surplus in 2020 of £285,000.

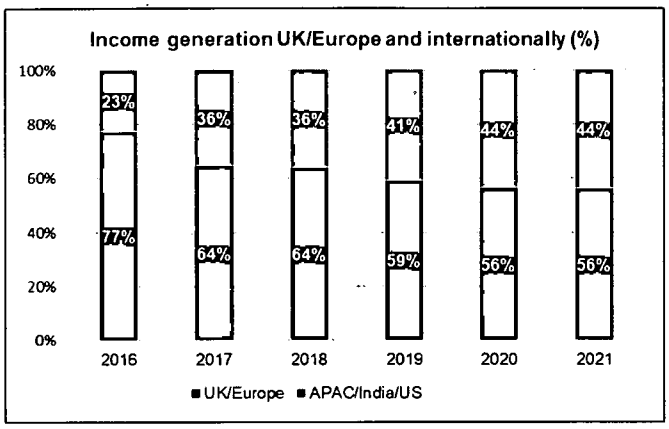
Our year end cash balance remains in a good position at £1.8m at 31 December 2021. As expected, this was a reduction from £2.6m at 31 December 2020, which was temporarily inflated due to the large receipt noted above.

The graphs below show the movements in our reserves, income and expenditure in recent years.

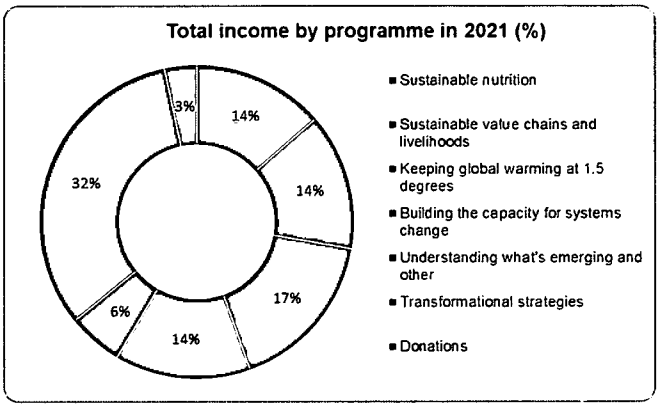


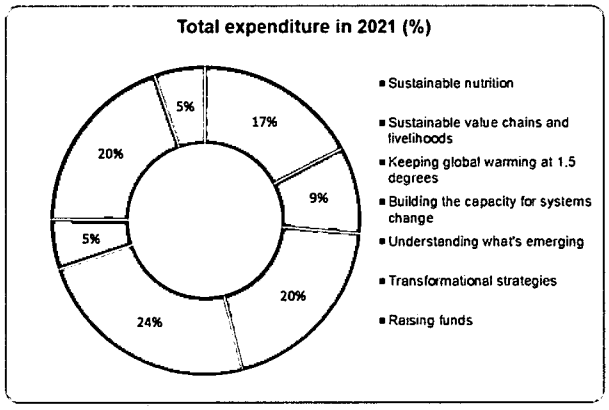


The proportion of our income from outside of the UK remained steady, after recent years of increase. Our gross income in the US, Singapore and India now represents 44% of our overall income (2020: 44%).



The split of income by type and expenditure by programme area is shown below:





Reserves policy

The trustee board reviews our reserves policy each year and considers the appropriate level of reserves for the organisation to hold. Trustees consider our current risk profile, balancing the need to reflect that risk whilst making sure we are not holding funds unnecessarily at the expense of committing funds to meet our charitable objectives. They consider the need to cover working capital requirements, the potential for short term reductions in income, and unexpected expenditure.

As a result of this year's review the trustee board, advised by the audit and assurance committee and considering Charity Commission published guidance, decided to make two minor amendments to the policy. The definition of free reserves was adjusted to exclude fixed assets from unrestricted funds, and the reserves policy was worded to make clear the target was a *minimum* reserves target (i.e. we will not automatically aim to reduce down where we are above).

The policy is now to set a minimum target for free reserves (unrestricted funds excluding unrestricted tangible fixed assets) of 18% (or 2.2. months) of overall expenditure excluding direct project costs. At 31 December 2021 this minimum target was £824,000.

At the end of 2021, our free reserves had increased to £1,027,000 (2020 on previous basis: £935,000).

Going concern

Trustees have reviewed the latest versions of the planning scenarios and cash-flows, paying particular attention to the risks to income, reserves, and liquidity levels. They have concluded that there are sufficient reserves held at year end to create a reasonable expectation that Forum for the Future has adequate resources to continue in operational existence for the foreseeable future and that it is therefore appropriate to prepare the charity and group financial statements on a going concern basis.

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.

We do not make direct marketing appeals, carry out mass participation fundraising events, street or door-to-door fundraising, or fundraise from vulnerable adults. For this reason we are not registered with the Fundraising Regulator in the UK or equivalent regulators elsewhere.

However, we ensure the fundraising activities we do carry out comply with the legal and regulatory framework as it applies to charities and fundraising, and all fundraising is carried out by Forum employees in line with our safeguarding, anti-bribery and whistleblowing policies. Fundraising activities include collaborative events focusing on sustainability topics, strategic meetings with foundation partners and thought leadership publications and communications campaigns.

Managing our own social and environmental impacts

Forum's key purpose is to accelerate a shift to a more sustainable future and we further these aims through the programmes we work on with our various stakeholders across the globe. We also recognise that we need to lead by example when managing the impacts of our own operations.

Forum has a Sustainability Policy that is supported by an ongoing programme of monitoring, evaluation and improvement.

Summary of our environmental footprint

We measure our carbon emissions from business travel and office energy use on an annual basis and these are shown in the table below alongside data from previous years. In 2021 we were able to measure emissions from all flights taken as well as for train and taxi journeys. We are only able to calculate approximate emissions from operating our London office (where 62% of our staff are based) as other offices are in serviced buildings and the landlords do not currently provide relevant data.

	2017	2018	2019	2020	2021
Scope 1 & 2 emissions:					
Tonnes CO_2e [1] from energy use in London office	14	6	10	8	1.97
Scope 3 emissions (business travel):					
Tonnes CO_2e from flights	185	193	280	35	19.66
Tonnes CO_2e from train journeys [2]					0.12
Tonnes CO_2e from taxi journeys [3]					0.16
Total measured emissions (tonnes CO_2e)	**199**	**199**	**290**	**43**	**21.90**
Offsets purchased (tonnes carbon)	**281**	**300**	**400**	**400**	**400**

Business travel, in particular flights, make up the largest segment of Forum's measurable carbon emissions and as can be seen from previous years this is usually a substantial proportion of the total. Carbon emissions for 2021 are of a similar level to those in 2020, reflecting the limited opportunities for travel during the year due to various COVID-19 restrictions in place across the globe and concerns about safety. We would expect to see an increase in the amount of travel in 2022 as restrictions relax and some large events start to switch to in-person (or hybrid) gatherings.

[1] CO_2 equivalent (CO_2e) emissions are a way of accounting for the impact of different greenhouse gases, expressed as the amount of CO_2 that would produce the equivalent amount of warming. We calculate these emissions by applying the UK government's carbon conversion factors.

[2] 2021 was the first year for which we were able to capture this data separately

[3] 2021 was the first year for which we were able to capture this data separately

How we are managing our impacts

Business Travel

Our travel policy encourages staff to use the lowest carbon impact route and mode of transport and our main travel agent provides clear information on the carbon impact of each flight option on offer. During 2021 we made adjustments to our expense systems allowing staff to add clearer information on journeys taken. This will make data collection easier for us and is also a useful way to engage with staff on our monitoring of this impact.

Forum has offices in four countries spanning three continents and our partners are often multinational operations themselves. Our knowledge and skills sharing structure means that many Forum staff work closely with colleagues, partners and stakeholders around the globe. The COVID-19 pandemic has shown us how effectively we can operate using virtual technology and our skills in delivering every aspect of our work this way have increased hugely as a result. At the same time, a lack of face-to-face meetings has also brought to light the value that a certain level of in-person interaction can bring - to help build relationships with our colleagues, partners, potential funders and other organisations that may help further our work. We therefore accept that a certain level of travel is necessary for us to drive the change we want to see in the world - whilst at the same time remaining committed to working innovatively and virtually wherever we can.

Our offices

Forum moved into a new London office space in May 2021 and now rents one floor of a building. The offices were refurbished in 2020 and during that time a number of resource saving measures were installed such as low energy and movement sensor lighting, water efficient taps and replacement of the gas boiler with a new heating system. We have access to electricity use data for the building but our floor is not sub-metered and so we estimate our own usage as a proportion of the space that we occupy. The building is not currently supplied through a renewable energy tariff and we have requested the building manager consider switching to one – the current contract expires in late 2022 and the intention is to switch to a renewable supplier then.

We do not have the same level of control over energy management in our hired office spaces in India, Singapore and US, however, we acknowledge the responsibility for continuous engagement with our landlords to influence these choices. We have recently managed to secure a limited amount of energy data from our Singapore landlord and also engaged with them on supporting their own sustainability plans.

During its refurbishment our London office had showers and a bike store installed and we encouraged the landlords to additionally fit bike racks and keys for staff to make the facility more secure. This

infrastructure encourages employees in our London office to cycle to work and is complemented by promotion of the 'Cycle to Work' bike loan scheme.

The London office was kept open at safe COVID-19 occupation levels (a maximum of 15 staff using it at one time) with an average occupancy of 50%. A workstation booking system was introduced allowing us to manage occupancy and encourage social distancing. On days with very little demand for office desks the office was closed.

The proportion of home working has increased greatly during the pandemic. We do not currently include staff home-working emissions as part of our footprint but as more methodologies become available to estimate these emissions we will look to do so.

Other areas

An environmental working group (with representatives from a number of our geographies) has been formed to ensure continual 'on the ground' support of our sustainability policy and action plan. An accompanying staff slack channel was also created to share news on developments in this area.

Our procurement policy sets out clear priorities when it comes to sustainability. We are also committed to taking a strong stand against modern slavery at Forum and have a policy in place that sets our commitments in relation to our staff, our partners and suppliers.

Carbon offsetting

We view offsetting as the last step in a mitigation strategy for carbon emissions with a hierarchy of avoiding or reducing emissions wherever possible first.

In 2021 we worked with ClimateCare to continue our investment in a Gold Standard accredited project that supplies fuel-efficient cooking stoves to families in Ghana, reducing carbon emissions and also reducing toxic fumes, saving families money and creating local jobs. In line with our thinking on best practice in this area we have investigated the option of splitting our offsetting investment between projects that reduce emissions and projects that remove emissions from the atmosphere. However, as the amount that we offset translates to a relatively small investment, we are focusing this towards one project to maximise efficiency and impact.

Each year we offset over and above our measured emissions to reflect that we have areas of impact we cannot currently measure accurately. We also want to ensure that we are providing long term support for projects and so during the two years of substantially smaller measured emissions (2020 and 2021) we have continued to invest in a similar value of offsets in the Gyapa Stoves project.

Our people

Our people are guided by our values – **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; **empathetic** – understanding ourselves as connected to others and embedded in wider ecosystems; **inquisitive** – using inquiry to diagnose and solve complexity; **playful** in our learning and creativity, and **respectful** – building trust-based relationships that drive constructive action. We also expect all our people to adhere to our Code of Conduct which summarises a number of our policies that inform our organisational working practices and sets out expected standards of behaviour including: safeguarding, bullying & harassment, conflicts of interest and bribery and corruption. The Code of Conduct can be found on our website *https://www.forumforthefuture.org/organisational-policies*.

At 31 December 2021 we had 77 employees (2020: 74) across our four offices in London, Mumbai, New York and Singapore.

Staff wellbeing

We recognise that the ongoing pandemic can impact wellbeing and the ability to build social connection with colleagues in the remote world of working. In all our locations, our staff continue to create structured and informal opportunities to foster team connection and social cohesion, including team building activities and social touch points.

Regular pulse surveys allow us to track changes in staff morale and measure trends, as well as ask other key questions, to which we can respond swiftly. On the whole, a significant majority of staff express positive satisfaction with wellbeing support provided by their line manager and in the organisation as a whole with the supportive culture of Forum.

Our staff benefit from flexible working opportunities and have a number of different contractual working patterns that support their work-life balance. This is reflected in 28% of employees working less than full time hours.

We kept three of our offices open and functioning as much as was feasible during the year, with the London office open throughout the year fully compliant with any government restrictions and prioritised for staff who otherwise would not be able to work productively from home. There has been no mandate for staff to attend any of our workplaces in person but we were keen to maintain an office facility for staff, where possible.

The ongoing global pandemic meant that staff in all geographies still spent the majority of time working from home and in the summer of 2021 we asked all staff to complete a guided self-assessment of their home workspace and feedback the results to us with any requests for additional support in this area. We

continue to promote our Employee Assistance Programme which provides access to professional counselling services alongside other self-guided wellbeing support resources.

During 2021 we embarked on developing our new strategy at Forum and staff engagement in this process was paramount. Staff were able to feed their own ideas into the process through a number of different working sessions and feedback points and were also kept up to date on how the process was being run, who was involved and who they could contact with any queries. Importantly, we made every effort, though there is always room for improvement, to create open and safe spaces for people to discuss tensions and concerns that they hold, and for those insights to inform both the process and the content of the strategy.

Safeguarding

Although we do not generally work directly with children or vulnerable adults we recognise the importance of having a clear Safeguarding & Whistleblowing policy in place. In 2021, we had no reported safeguarding or whistleblowing cases.

Diversity and Inclusion

At 31 December 2021 women represented 73% of our workforce (2020: 71%). Staff are predominantly (76%) between 25 to 44 years old, with about 6% of us aged over 55. The majority (75%) of our staff are of white ethnic backgrounds.

We have made a stated commitment to becoming a more inclusive organisation, committed to anti-racism, equity, diversity and inclusion and during 2021 we implemented a number of new initiatives to support this process as well as building on some others introduced the previous year. Our Chief Operating Officer leads on this initiative working closely with our HR Manager, the Senior Management Team and others across the organisation.

Recruitment of new staff is a cornerstone of developing a more diverse and inclusive workforce. 2021 was a year of high recruitment for Forum and gave us the opportunity to fully embed a recruitment platform introduced the previous year, designed to remove unconscious bias from hiring decisions. We received a total of 776 applications for 25 job vacancies in 2021 and of these the vast majority of candidates found the process fair and enjoyable (on average scoring it 8.5 out of 10).

We continue to have open conversations with our staff around the themes of power, influence, equity and positionality, both with respect to how we deliver our programmes and how we run our own organisation and this reflection and learning has taken place through external training and also internally run sessions.

During 2021 the senior management team participated in training around equity and diversity from an external facilitator. Specialised, US-focused, training also commenced for staff working on projects in this

region, covering process design and facilitation through an anti-racist lens. More externally facilitated training is planned for 2022 with sessions for our board of trustees set up for early in the year.

Our staff have also set up events with and for colleagues, covering topics such as how to engage marginalised voices in collaborative projects or sharing experiences of working with certain project stakeholders (for example, coffee workers). Project teams have worked hard to guide their work through the lens of equity and power and have developed tools to aid this, such as a guidebook on power and equity co-created by the School team. Over the year, preparation work carried out as part of the development of the *Business Transformation Compass Report* (which has a focus on social justice) sparked multiple cross-organisation conversations about our definition of a socially just and equitable future for all and the principles that should underpin both our work and our recommendations to our partners.

Work is collated, shared and built upon through a dedicated slack channel as well as a working group composed of staff from across the organisation that meets on a monthly basis to discuss progress in these areas. Another slack channel is in place for those staff identifying as BIPOC (Black, Indigenous and People of Colour), to share and explore their own experiences at home, around the world and in our own organisation.

Staff reward, development and retention

As part of our commitment to staff development and retention we offer free places for eligible staff on our own system change learning programmes, *Basecamp*, *Spark* and *Investors in Change*. These courses offer colleagues the chance to join external participants in an immersive learning experience aimed to further expand their systemic capabilities and practice. During 2021, 12 of our staff were able to take part in these programmes.

In 2021 we appointed internally three colleagues into newly created or vacant jobs following the competitive recruitment process, created three acting-up opportunities and promoted seven colleagues based on their achievement of stretch targets over the previous year.

Forum aims to pay competitively relative to other international non-profits located in the relevant city (London, Mumbai, New York, Singapore) of a comparable size and in determining pay bands we will also take into account benefits packages frequently offered. Our UK pay ratio highest to lowest is 4.5 to 1 (excluding temporary staff) with the highest paid members of staff being those on the Senior Management Team. We pay all our employees above the minimum wage.

We continue to be committed to opening up routes to careers in sustainability for young people and in 2021 Forum participated in the government funded Kickstart scheme and provided job placements for 3 young people paying them a London Living Wage. Forum also hosted 5 internships in our UK/Europe

team via the University-approved work placement scheme and we engaged the services of seven affiliates.

In 2021, Forum's Asia-Pacific Singapore office launched its inaugural Sustainable Futures Fellowship programme, offering a professional development opportunity to a recent graduate from Nepal to build up his skills to enter the job market in the sustainability field in Singapore or the Southeast Asian region. As a full-time employee for a one year period, the Fellow has been involved in a range of projects that tackle complex sustainability challenges through systems change and futures-thinking approaches, contributing to securing a just and regenerative future for all. Forum is currently seeking sponsorship to extend this opportunity to additional recent graduates from Singapore-based universities.

Principal risks and uncertainties

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 and undertake deep dives into specific topic areas as deemed useful. The full board review the risk register at least annually.

The following table sets out the major risks we faced during 2021 into 2022 together with key mitigating actions.

Risk	Mitigating actions
Funding model does not generate sufficient resource to sufficiently fund our work.	In recent years we have diversified our income, increasing the proportion of our funding from trusts & foundations and in the growth of our non-UK offices. We have clear milestones for income generation, to give an early warning where income may be insufficient and savings may need to be delivered. This is supported by detailed financial reforecasting during the year. Reserves have been increased to above target level to give some buffer for negative shocks.
Global economic and geopolitical instability has negative financial impact (e.g. inflation)	Regular forward looking financial review to recognise risks and take mitigation actions.
Staff turnover as a result of increasingly competitive landscape for talent in the sustainability sector	Keeping a focus on Forum's values. Aiming towards creating a brilliant place to work, including substantive efforts on staff development and feedback. Benchmarking pay. Carrying out exit interviews to understand reasons for people leaving.

Risk	Mitigating actions
Staff wellbeing, resilience and morale	The impacts of COVID-19 continue to impact the wellbeing of staff. The staff wellbeing section under the *Our People* section of this report sets out the actions we have taken and continue to implement.
Cyber security incident results in data loss causing business interruption and/or reputational damage	Various controls around key data (e.g. multi-factor authentication), development of a cyber incident response plan, support from third party expertise.

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. Any expenses reclaimed from the charity by the Trustees are set out in note six to the accounts.

The Chair of Trustees, Rita Clifton, CBE leads the Board, which meets at least four times a year. The Honorary Treasurer, Fiona Thompson, elected from the Trustees, leads the Audit and Assurance Committee (AAC), which meets at least four times a year to ensure the adequacy of Forum's internal controls, risk and financial management, and considers and evaluates the work of the external auditors. In 2021, in order to enhance the independence and expertise of the AAC, a non-trustee Independent Member of the AAC was recruited and joined the committee in September of the year.

The Remuneration Committee is responsible for assessing the pay and 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 and reviewing the overall pay policy of Forum.

A Governance and Nominations Committee was set up during 2021, with the first formal meeting taking place in February 2022. The Committee has responsibility for reviewing the board's performance against best practice, overseeing the composition of the board and committees, and supporting the appointment of the Chair, Trustees & Chief Executive

New Trustees are appointed by the Board following open advertisement. 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.

Decision making

The Board of Trustees is the ultimate decision-making body of Forum. The Board is responsible for ensuring that Forum is solvent, well-run, and delivering the charitable outcomes for which it has been established.

The Board acts in the best interests of Forum; takes decisions about the strategic direction and future of the charity; ensures the organisation remains financially and strategically sustainable and is prepared to

face future challenges. They ensure that Forum is working within the law, and exercise sufficient oversight to ensure it is meeting its objectives. They support the Chief Executive and ensure that the board as a whole is working effectively and efficiently.

Although final authority rests with the Trustees, they have delegated certain responsibilities and decision-making powers to the Chief Executive which are documented within governing documents and committee terms of reference.

The Chief Executive in turn further delegates responsibilities to suitably qualified members of staff using a mandate and advice model reflecting the matrix structure of the organisation.

Structure

Consolidated group accounts have been prepared for 2021 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 group and of the incoming resources and application of resources, including the income and expenditure, of the group 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 adequate 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 group 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.

Auditor

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

Approved by the Board of Trustees on 7 June 2022 and signed on their behalf by:

FThompson
FThompson (Aug 15, 2022 14:06 GMT+1)

Fiona Thompson - Director, Trustee and Honorary Treasurer

Reference and administrative details

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: 3rd floor, 22-26 Paul Street, London, EC2A 4QE, 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 2021, which have been prepared in accordance with the Statement of Recommended Practice: Reporting and Accounting by Charities and the Companies Act 2006.

Trustees who served throughout 2021 were as follows:
Rita Clifton CBE (Chair)
Volker Beckers
Charlotte Ersbøll
Noa Gafni
Heather Grady
Laura McGonigal
Anita Tiessen
Fiona Thompson
Jonathan Wates
Andrew Winston

Audit and Assurance Committee (AAC)

Fiona Thompson (Chair)
Charlotte Ersbøll
Laura McGonigal
Jonathan Wates
Mandhese Samra Independent Member (appointed Sept 2021)

Remuneration committee

Anita Tiessen (Chair)
Heather Grady
Rita Clifton CBE

Company Secretary

Jenny Natasha Clayton (resigned December 2021)

Senior management team

Dr Sally Uren OBE, Chief Executive

Jenny Natasha Houseman, Chief Operating Officer (left Forum June 2021)

Chris Baker, Chief Operating Officer (joined Forum November 2021)

Caroline Ashley, Global Director of System Change Programmes

Anna Birney, Global Director of Systems Change Learning

Jane Lawton, Chief Development and Communications Officer

Ariel Muller, Director, Asia

Hannah Pathak, Director, UK/Europe

Sandra Seru, Director, US

Bankers and auditors

Bankers	HSBC Commercial Banking City of London Commercial Centre 60 Queen Victoria Street London EC4N 4TR
	Triodos Bank Deanery Road Bristol BS1 5AS
	The Co-operative Bank PO Box 48 1 Balloon Street Manchester M60 1GP
Auditors	Sayer Vincent LLP Chartered Accountants and Statutory Auditors Invicta House 108-114 Golden Lane London EC1Y 0TL

Independent auditor's report to the members of Forum for the Future

Opinion

We have audited the financial statements of Forum for the Future (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2021 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 FRS 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 2021 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 group financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on Forum for the Future's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other Information

The other information comprises the information included in the trustees' annual report other than the group financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the group financial statements does not cover the other information, and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the group financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the group financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 their 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 directors 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

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charites 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.

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

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management and the audit and assurance committee, which included obtaining and reviewing supporting documentation, concerning the group's policies and procedures relating to:
    - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
    - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
    - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.

- We obtained an understanding of the legal and regulatory framework that the group operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the group from our professional and sector experience.

- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.

- We reviewed any reports made to regulators.

- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.

- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

This report is made solely to the 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.

Jonathan Orchard (Senior statutory auditor)
17 August 2022
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 2021

(Incorporating the income and expenditure account)

	Notes	Unrestricted £'000	Restricted £'000	2021 **Total £'000**	Unrestricted £'000	Restricted £'000	2020 Total £'000
INCOME FROM							
Donations	2	125	45	**170**	195	256	451
Charitable activities	3	3,270	1,687	**4,957**	3,143	2,215	5,358
Total income		3,395	1,732	**5,127**	3,338	2,471	5,809
EXPENDITURE ON							
Raising funds		(290)	-	**(290)**	(195)	-	(195)
Charitable activities		(2,908)	(2,187)	**(5,095)**	(3,009)	(2,186)	(5,195)
Total expenditure	4-6	(3,198)	(2,187)	**(5,385)**	(3,204)	(2,186)	(5,390)
Net income/ (expenditure) for the year	8	197	(455)	**(258)**	134	285	419
Foreign exchange losses		(15)	-	**(15)**	(58)	-	(58)
NET MOVEMENT IN FUNDS		182	(455)	**(273)**	76	285	361
FUNDS BROUGHT FORWARD		935	1,329	**2,264**	859	1,044	1,903
FUNDS CARRIED FORWARD		1,117	874	**1,991**	935	1,329	2,264

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in note 20 to the financial statements.

Balance sheets for the year ended 31 December 2021

	Notes	The group 2021 £'000	The group 2020 £'000	The charity 2021 £'000	The charity 2020 £'000
FIXED ASSETS					
Tangible fixed assets	11	**116**	101	**60**	100
Investments	12	**-**	-	**1**	1
		116	101	**61**	101
CURRENT ASSETS					
Debtors	15	**1,532**	781	**1,265**	992
Short term deposits and cash in hand		**1,839**	2,558	**1,105**	842
		3,371	3,339	**2,370**	1,834
LIABILITIES					
Creditors - due within one year	16-17	**(1,488)**	(1,176)	**(1,115)**	(714)
NET CURRENT ASSETS		**1,883**	2,163	**1,255**	1,120
Creditors - due after one year	18	**(8)**	-	**-**	-
NET ASSETS	19	**1,991**	2,264	**1,316**	1,221
FUNDS					
General funds		**1,117**	935	**714**	736
Restricted funds	20	**874**	1,329	**602**	485
TOTAL FUNDS		**1,991**	2,264	**1,316**	1,221

Approved by the directors on 7 June 2022 and signed on their behalf by

FThompson

FThompson (Aug 15, 2022 14:06 GMT+1)

Fiona Thompson
Honorary Treasurer

Company number: 2959712

Consolidated statement of cash flows for the year ended 31 December 2021

	Notes	2021	2020
		£'000	£'000
Cash flows from operating activities	A		
Net cash **(used in)** / provided by operating activities		**(631)**	1,194
Cash flows from investing activities			
Purchase of equipment		**(96)**	(58)
Net cash used in investing activities		**(96)**	(58)
Cash flows from financing activities			
Cash inflows from new borrowing		**8**	-
Net cash provided by (used in) financing activities		**8**	-
Change in cash and cash equivalents in the year		**(719)**	1,137
Cash and cash equivalents at 1 January		**2,558**	1,422
Cash and cash equivalents at 31 December	B	**1,839**	2,558

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

	2021	2020
	£'000	£'000
Net(expenditure)/ income for the period	(273)	361
Adjusted for:		
Depreciation charges	81	56
(Increase) / decrease in debtors	(751)	1,090
(Increase) / decrease in creditors	312	(313)
Net cash (used in)/ provided by operating activities	**(631)**	**1,194**

B. Analysis of cash and cash equivalents

	2021	2020
	£'000	£'000
Cash at bank and in hand	1,839	2,558
Total cash and cash equivalents	**1,839**	**2,558**

Notes to the financial statements for the year ended 31 December 2021

1. Accounting policies

Statutory information

The Forum for the Future is a charitable company limited by guarantee and is incorporated in the United Kingdom. The registered office address and principal place of business is 3rd Floor, 22-26 Paul Street, London EC2A 4QE.

Basis of accounting

The financial statements have been prepared in accordance with Accounting and Reporting by Charities Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), 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.

Basis of consolidation

These financial statements consolidate the results of the charitable company and its wholly-owned or controlled 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 The Forum for the Future and its subsidiaries are disclosed in aggregate in notes 16 and 17. 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.

Accounting estimates and assumptions

The Trustees do not consider that there are any estimates and assumptions 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.

Going concern

The financial statements have been prepared on the going concern basis. An organisation is considered a going concern if it is expected to continue its operations for the next twelve months. The Trustees formally review financial performance on a quarterly basis including consideration of a rolling 12-month cash flow forecast to ensure that Forum can continue to be considered a going concern.

In preparing these accounts the Trustees have reviewed the current income and expenditure and cashflow models together with current cash balances and secured pipeline. Based on these the Trustees consider Forum to be a going concern for the foreseeable future.

Income

Income is recognised in the financial statements when the charity has entitlement to the funds, it is probable income will be received and the amount can be measured reliably. Income that is received in advance and does not yet meet these income recognition criteria, is deferred. Income that is not yet received but meets the recognition criteria is accrued.

When there are any performance conditions attached to the grant agreements, the grant income is recognised when there is sufficient evidence that these conditions have been met.

Donated gifts and services are measured at their monetary value to the organisation and included under donations. An equal amount is included under the relevant expenditure category so the net income is nil.

Expenditure

Expenditure is accounted for on an accrual basis when there is a legal or constructive obligation to make a payment to a third party, it is probable that the 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 generating voluntary income and any other costs related to the fundraising activities.

Expenditure on charitable activities includes the costs of delivering programmes 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 except for those which are grant funded where VAT is charged directly to the projects.

Staff untaken holiday and untaken paid sabbaticals were calculated at staff actual salary rates as at the end of December 2021 and provided for in the statement of financial activities.

Grants given

Forum can only make grants to other organisations where these are in support of our charitable activities. At present these grants are limited to circumstances where we act as lead partner in relation to a particular programme of work and this has been agreed with the funder. The expenditure is recognised when the criteria for a constructive obligation has been met, payment is probable, it can be measured reliably and there are no conditions attached which limit its recognition.

Allocation of support costs

Support costs are apportioned to Forum's programmes in line with the direct spend on each programme. The type of costs that are allocated in this way include all office and technology costs, finance and people related costs.

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 represent income received for specific purposes as laid down by the donor. Expenditure that meets these criteria is charged to the restricted fund.

Unrestricted funds represent the income received to pursue the general charitable objectives of the charity.

Foreign exchange

Expenditure in foreign currency is accounted for at the xe.com rates which are updated each month. The same treatment is applied to the income received. The balance sheet is revalued quarterly including at 31 December.

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.

Fixed assets over the value of £500 are capitalised and the depreciation is charged on a straight-line basis over the asset's estimated useful life:

Improvements to leasehold properties	5 years
Furniture and fittings	5 years
Software development	5 years
Computers and office equipment	3 years

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, which are payments received in advance, 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.

Financial instruments

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

	2021			2020		
	Unrestricted	**Restricted**	**Total**	Unrestricted	Restricted	Total
	£'000	**£'000**	**£'000**	£'000	£'000	£'000
Donations	87	18	**105**	158	-	158
Government job retention grants	-	27	**27**	-	256	256
Donated goods and services	38	-	**38**	37	-	37
	125	**45**	**170**	195	256	451

Donated goods and services included pro-bono facilitation of School of System Change Basecamp 9 programme in US for the total of £38,000 ($50,000).

Government job retention grants included £15,000 from the UK government, and £12,000 (S$23,000) from the Singaporean government.

3. Income from charitable activities

			2021			2020
	Unrestricted	**Restricted**	**Total**	Unrestricted	Restricted	Total
	£'000	**£'000**	**£'000**	£'000	£'000	£'000
Programme grants	-	1,687	1,687	-	2,215	2,215
Programme service contracts	3,073	-	3,073	2,958	-	2,958
Basecamp and Spark participant fees	194	-	194	179	-	179
Other income	3	-	3	6	-	6
	3,270	**1,687**	**4,957**	3,143	2,215	5,358

Income from charitable activities by programme and geography:

	UK/Europe	Asia Pacific	India	US	2021 Total
	£'000	£'000	£'000	£'000	£'000
Sustainable nutrition	245	65	-	388	**698**
Sustainable value chains and livelihoods	567	19	-	139	**725**
Keeping global warming at 1.5 degrees	392	123	44	302	**861**
Building the capacity for systems change	360	8	10	337	**715**
Understanding what's emerging	20	123	-	-	**143**
Transformational strategies	1,107	229	88	243	**1,667**
Other	92	49	1	6	**148**
	2,783	**616**	**143**	**1,415**	**4,957**

2020

	UK/Europe	Asia Pacific	India	US	2020 Total
	£'000	£'000	£'000	£'000	£'000
Sustainable nutrition	398	18	-	934	**1,350**
Sustainable value chains and livelihoods	585	21	-	188	**794**
Keeping global warming at 1.5 degrees	361	108	57	54	**580**
Building the capacity for systems change	786	14	-	250	**1,050**
Understanding what's emerging	15	170	-	-	**185**
Transformational strategies	770	166	71	317	**1,324**
Other	40	21	1	13	**75**
	2,955	**518**	**129**	**1,756**	**5,358**

4. Total expenditure

	Charitable activities						
	Programmes	Communications	Total	Raising funds	Support costs	2021 Total	2020 Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Staff costs	2,749	244	2,993	201	578	**3,772**	3,968
Project costs	811	59	870	19	-	**889**	764
People (HR)	-	-	-	-	88	**88**	21
Office & technology	-	-	-	-	482	**482**	504
Finance	-	-	-	-	109	**109**	74
Governance	-	-	-	-	45	**45**	59
Total	**3,560**	**303**	**3,863**	**220**	**1,302**	**5,385**	**5,390**
Support cost apportioned:	1,135	97	1,232	70	(1,302)	-	
Total expenditure	**4,695**	**400**	**5,095**	**290**	**-**	**5,385**	**5,390**

The support costs are apportioned to programmes on the basis of the total direct costs for each area of work.

2020	Charitable activities					
	Programmes	**Communications**	**Total**	**Raising funds**	**Support costs**	**2020 Total**
	£'000	£'000	£'000	£'000	£'000	**£'000**
Staff costs	2,901	343	3,244	148	576	**3,968**
Project costs	657	105	762	2	-	**764**
People	-	-	-	-	21	**21**
Office & technology	-	-	-	-	504	**504**
Finance	-	-	-	-	74	**74**
Governance	-	-	-	-	59	**59**
Total	**3,558**	**448**	**4,006**	**150**	**1,234**	**5,390**
Support Costs	1,056	133	1,189	45	(1,234)	-
Total expenditure	**4,614**	**581**	**5,195**	**195**	**-**	**5,390**

Governance costs are further analysed below:

	2021	2020
	£'000	£'000
Staff cost	**-**	21
Audit fees	**38**	33
Indemnity insurance	**7**	5
	45	59

5. Charitable expenditure by programme

	Programme costs	**Grants given**	**Support costs**	**2021 Total**	Programme costs	Grants given	Support costs	2020 Total
	£'000	£'000	£'000	**£'000**	£'000		£'000	£'000
Sustainable nutrition	701	-	229	**930**	621		190	811
Sustainable value chains and livelihoods	297	97	97	**491**	488	126	149	763
Keeping global warming at 1.5 Degrees	802	-	262	**1,064**	759		233	992
Building the capacity for systems change	963	-	315	**1,278**	1,031		316	1,347
Understanding what's emerging	212	-	69	**281**	275		84	359
Transformational strategies	791	-	260	**1,051**	706		217	923
	3,766	**97**	**1,232**	**5,095**	**3,880**	**126**	**1,189**	**5,195**

6. Analysis of staff costs, Trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2021	2020
	£'000	£'000
Salaries and wages	3,194	3,360
Redundancy and termination costs	-	15
Social security costs	292	312
Employer's contribution to pension schemes	286	281
	3,772	3,968

In addition, the cost of agency staff in the year was £61,000 (2020: £4,000).

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

	2021	2020
	£'000	£'000
£60,000 - £69,999	5	-
£70,000 - £79,999	1	1
£80,000 - £89,999	4	3
£90,000 - £99,999	-	1
£100,000 - £109,999	-	1
£110,000 - £119,999	4	2

The key management personnel of Forum for the Future are the members of the Senior Management Team, consisting of the Chief Executive Officer, Chief Operating Officer, Chief Development and Communications Officer, Director of System Change Programmes, Director of System Change, Learning and Community, Director of UK/Europe, Director of Asia and Director of US. The total salary cost including employer's pension contributions and employer's national insurance contributions for the senior management team in the year was £876,000 (2020: £838,000).

Jonathon Porritt continued to serve as a trustee of Forum for the Future, with the consent of the Charity Commission, until 3 June 2020, and continued to be paid as an employee throughout 2020 and 2021.

	Salary and Employer Pension	
	2021	2020
	£'000	£'000
Jonathon Porritt	**67**	63
	67	63

Total travel and subsistence expenses claimed by the trustees in 2021 were £0 (2020: £0).

Pension scheme

Forum for the Future UK operates a contract based, individual money purchase arrangement with Aviva. As at 31 December 2021 there was one month payment owed to Aviva for the total of £18,300 (2020: £19,057) which was paid on 6 January 2022. There were 52 (2020: 53) staff enrolled on the pension scheme at the end of December 2021. Pension arrangements in APAC for Singaporeans are obligatory statutory payments to the Central Provident Fund. In the US the pension is arranged with TransAmerica and is a defined contribution scheme.

7. Staff numbers

The average number of employees (head count based on number of staff employed) during the year was 76 (2020: 79). The average full-time equivalent analysed by function was as follows:

	2021	2020
	No.	No.
Raising funds	**3.0**	3.0
Programmes	**52.0**	53.2
Communications	**4.4**	5.2
Support	**11.6**	10.8
Governance	**0.4**	0.4
	71.4	72.6

8. Net income for the year

	2021	2020
	£'000	£'000
This is stated after charging:		
Depreciation	**81**	56
Operating lease rentals:		
l property	**81**	174
Forum for the Future Group auditors' remuneration (excluding VAT):		
l audit fee	**23**	17
l grant audit	**1**	-
Forum for the Future Asia Pacific Limited auditors' remuneration:		
l audit	**4**	5
Forum for the Future India Private Limited auditors' remuneration:		
l audit	**2**	4
Forum for the Future US Inc. auditors' remuneration:		
l audit	**8**	8
Foreign exchange losses	**15**	58

9. Related party transactions

A donation of £8,000 was received from a trustee in 2021 (2020: £366 ($500)).

Jonathan Wates is a director of the Wates Family Group. Forum received a donation of £5,000 from The Wates Family Trust in 2021 (2020: £0).

Laura McGonigal was previously an employee of People Against Dirty Limited - Forum's Pioneer Partner who paid £0 (2020: £23,000) for services provided in 2021.

Volker Beckers is the Chair of the Advisory Board of PriceWaterhouseCoopers UK. Forum received £0 (2020: £18,000) from PwC UK who administered the funding from the former Department for International Development received towards our Tea Swaps project in Kenya.

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 UK corporation tax as all its income is charitable and is applied for charitable purposes.

Forum for the Future India Private Limited is a private limited company and as such is liable for tax on any taxable profits it has made. The provision for taxation due in relation to 2021 is £7,000 (2020: £10,000).

11. Tangible fixed assets

The group	Improvements to leasehold property	Furniture and fittings	Computer, office equipment & software	Total
	£'000	£'000	£'000	£'000
Cost				
At the start of the year	63	19	543	**625**
Additions in year	81	3	12	**96**
Disposals in year	(63)	(19)	(285)	**(367)**
At the end of the year	81	3	270	**354**
Depreciation				
At the start of the year	63	19	442	**524**
Charge for the year	29	1	51	**81**
Disposals in year	(63)	(19)	(285)	**(367)**
At the end of the year	29	1	208	**238**
Net book value				
At the end of the year	**52**	**2**	**62**	**116**
At the start of the year	-	-	101	101

All of the assets are used for charitable purposes

The charity	Improvements to leasehold property	Furniture and fittings	Computer, office equipment & software	Total
	£'000	£'000	£'000	£'000
Cost				
At the start of the year	63	19	515	**597**
Additions in year	-	3	8	**11**
Disposals in year	(63)	(19)	(285)	**(367)**
At the end of the year	-	3	238	**241**
Depreciation				
At the start of the year	63	19	415	**497**
Charge for the year	-	1	50	**51**
Disposals in year	(63)	(19)	(285)	**(367)**
At the end of the year	-	1	180	**181**
Net book value				
At the end of the year	**-**	**2**	58	**60**
At the start of the year	-	-	100	100

In 2017 the charity secured funding from Laudes Foundation for the development of the project management system (PSA) and accounting software (Financial Force). As of 31 December 2021 the net book value of the software was £24,000 which is included in the restricted funds (2020: £50,000).

12. Investments

The charity investments consist of the following entities:

Entity	Type	No of shares/ cost
Forum for the Future Asia Pacific Limited	subsidiary charitable company	-
Forum for the Future India Private Limited	subsidiary limited company	9,999 shares at £0.1 (INR 10) Dilutive earning per share £0.1084
Forum for the Future US Inc.	subsidiary not for profit	-
Green Futures Limited	dormant trading company	2 shares at £1 each

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 as a company and a charity 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. Although this subsidiary has negative reserves, this remains supported by the parent and a going concern.

	2021	2020
	£'000	£'000
Income	**744**	690
Direct costs	**(658)**	(574)
Net income	**86**	116
Administrative expenses	**(173)**	(156)
Deficit for the year	**(87)**	(40)
Foreign exchange losses	**(10)**	(3)
Deficit for the year	**(97)**	(43)
The aggregate of the assets, liabilities and funds was:		
Assets	**417**	265
Liabilities	**(490)**	(242)
Funds	**(73)**	23

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 for the period from 1 April 2020 to 31 March 2021 were audited by Kumar Gandhi and Associates. Interim unaudited accounts for the period 1 January 2021 – 31 December 2021 were prepared and results consolidated into the group accounts.

	2021	2020
	£'000	£'000
Income	**253**	241
Direct costs	**(162)**	(117)
Net income	**91**	124
Administrative expenses	(65)	(70)
Provision for taxes	(6)	(10)
Profit for the year	**20**	44
Foreign exchange losses	**(13)**	(15)
Profit for the year	**7**	29

The aggregate of the assets, liabilities and funds was:

Assets	**257**	215
Liabilities	**(89)**	(54)
Share capital	**(1)**	(1)
Funds	**167**	160

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.

	2021	2020
	£'000	£'000
Income	**1,602**	1,988
Direct costs	**(1,412)**	(1,164)
Net income	**190**	824
Administrative expenses	**(487)**	(435)
Deficit for the year	**(297)**	389
Foreign exchange losses	**19**	(24)
Deficit for the year	(278)	365

The aggregate of the assets, liabilities and funds was:

Assets	**774**	1,548
Liabilities	**(192)**	(688)
Funds	**582**	860

14. Parent charity

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

	2021	2020
	£'000	£'000
Gross income	4,637	3,751
Surplus for the year	95	10

15. Debtors

	The group		The charity	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Trade debtors	1,108	412	867	297
Other debtors and prepayments	174	165	80	88
Amounts due from subsidiaries	-	-	255	463
Accrued income	250	204	63	144
	1,532	781	1,265	992

16. Creditors: amounts due within one year

	The group		The charity	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Trade creditors	78	15	37	15
Other creditors	275	68	193	45
Amounts due to subsidiaries	-	-	138	57
Accruals	236	318	187	260
Deferred income	899	775	560	337
	1,488	1,176	1,115	714

17. Deferred income

Movements on deferred income were as follows:

	The group		The charity	
	2021	2020	**2021**	2020
	£'000	£'000	**£'000**	£'000
Deferred income brought forward	775	1,049	337	506
Amount released to income in the year	(775)	(1,049)	(337)	(506)
Amount deferred in the year	899	775	560	337
Balance at the end of the year	**899**	**775**	**560**	**337**

18. Creditors due after one year

	The group		The charity	
	2021	2020	**2021**	2020
	£'000	£'000	**£'000**	£'000
Creditors - due after one year	**8**	-	**-**	-
	8	-	**-**	-

19. Current year analysis of group net assets between funds

	Unrestricted	Restricted	Total funds
	£'000	**£'000**	**£'000**
Tangible fixed assets	92	24	**116**
Net current assets	1,025	850	**1,875**
Net assets at the end of the year	**1,117**	**874**	**1,991**

Prior year analysis of group net assets between funds

	Unrestricted	Restricted	Total funds
	£'000	**£'000**	**£'000**
Tangible fixed assets	51	50	**101**
Net current assets	884	1,279	**2,163**
Net assets at the end of the year	**935**	**1,329**	**2,264**

20. Movement in restricted funds

	Note	At the start of 2021	Income	Expenditure	At the end of 2021
		£'000	£'000	£'000	**£'000**
Funding by programme					
Sustainable nutrition	a	721	234	(409)	**546**
Sustainable value chains and livelihoods	b	1	437	(381)	**57**
Keeping global warming at 1.5 Degrees	c	66	736	(695)	**107**
Building the capacity for systems change	d	378	152	(412)	**118**
Understanding what's emerging	e	-	56	(56)	**-**
Other projects	f	-	60	(26)	**34**
Organisational development	g	163	17	(168)	**12**
Job retention schemes	h	-	40	(40)	**-**
		1,329	**1,732**	**(2,187)**	**874**

a) This represents the funding received from Laudes Foundation for the Cotton 2040 project (£437,000)

b) The funding included grants from McArthur Foundation India (£270,000), S&P Global Foundation (£57,000) and SED fund (£19,000) towards the Responsible Energy Initiative. There was also £107,000 received from DFID India for Net Positive Renewable Energy. Boundless Roots project continued to receive funding from KR Foundation (£31,000). We also secured new funding towards UK Local Just transition Challenge from Friends Provident Foundation (£76,000), Joseph Rowntree Charitable Trust (£63,000), Energy for Tomorrow £40,000) and the Treebeard Trust. Other funding included is monies received from WWF Mexico and People's Postcode Lottery.

c) In 2021 we received funds to support our School of System Change from: Lankelly Chase Foundation (£101,000) and Garfield Foundation (£2,000). We also received funding to support our coaching projects from Calouste Gulbenkian Foundation (£30,000), Zoological Society of London (£12,000) and National Lottery Community Fund (£10,000).

d) The funding included monies received from United Nations Development Programme (£56,000).

e) Other projects includes a UK Government Kickstarter Grant (£13,000) and funds from the Lankelly Chase Foundation towards Systemic Governance Project (£31,000).

f) This includes funds towards Forum's organisational development including £12,000 from BUPA.

g) We received the total of £27,000 from the governments in UK and Singapore salary costs of our staff as part of the COVID-19 related schemes.

Movement in restricted funds 2020:

	At the start of 2020	Income	Expenditure	At the end of 2020
	£'000	£'000	£'000	**£'000**
Funding by programme				
Sustainable nutrition	235	735	(249)	**721**
Sustainable value chains and livelihoods	0	367	(366)	**1**
Keeping global warming at 1.5 Degrees	147	399	(480)	**66**
Building the capacity for systems change	263	543	(428)	**378**
Understanding what's emerging	0	72	(72)	**-**
Other projects	0	84	(84)	**-**
Organisational development	399	15	(251)	**163**
Job retention schemes	0	256	(256)	**-**
	1,044	**2,471**	**(2,186)**	**1,329**

21. 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	
	2021	2020
Payments due:	**£'000**	£'000
Within one year	112	53
Within two to five years	304	59
	416	112

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.