

THE FORSTER FOUNDATION CIO
(Registered Charity No. 1153779)
REPORT OF THE TRUSTEES AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

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THE FORSTER FOUNDATION CIO
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2021

The Trustees present their report and the independently examined financial statements of The Forster Foundation CIO (the “Foundation” or the “CIO”), for the year ended 31 December 2021. These have been prepared in accordance with the accounting policies set out on pages 8 and 9 and comply with applicable charity law.

1. REFERENCE AND ADMINISTRATIVE DETAILS

The Foundation, registered charity number 1153779, is based and administered in the United Kingdom. The principal office is Eighth Floor, 6 New Street Square, London, EC4A 3AQ.

Trustees:

The names of the trustees who served throughout the period and continue to serve at the date of the report’s approval are:

- Paul Hay Forster
- Tonia-Cara Forster
- Meldt Van Der Spuy

Bankers:

Rothschild Wealth Management (UK) Limited, New Court, St Swithin’s Lane, London, EC4N 8AL

Solicitors:

Taylor Wessing LLP, 5 New Street Square, London, EC4A 3TW

Accountants:

Rawlinson & Hunter, Eighth Floor, 6 New Street Square, London, EC4A 3AQ

Independent Examiner:

Christopher J Hawley FCA, Eighth Floor, 6 New Street Square, London EC4A 3AQ

2. STRUCTURE, GOVERNANCE AND MANAGEMENT

The Foundation was established by a Constitution dated 20 August 2013 and registered with the Charity Commission on 12 September 2013 as a Charitable Incorporated Organisation governed by the proper law of England and Wales. The trustees of the Foundation who are also the members have no liability for the Foundation’s debts.

The management of the Foundation is conducted solely by the trustees.

The trustees investment powers are unrestricted.

THE FORSTER FOUNDATION CIO
REPORT OF THE TRUSTEES (continued)
FOR THE YEAR ENDED 31 DECEMBER 2021

2. STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

The number of trustees shall be a minimum of three and not more than twelve at any one time. Future trustees shall be appointed by majority resolution by the existing trustees.

Induction and Training

Should new trustees be appointed, a formal induction process will be conducted by the trustees. Other trustee training is undertaken as and when appropriate. All trustees are aware of their legal duties and obligations in respect of the management of the Foundation, including in relation to the protection of its assets.

Statement of Trustees' Responsibilities

The trustees are responsible for preparing the Annual Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Foundation and of the incoming resources and application of resources of the Foundation 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 2015 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 Foundation will continue in operation.

The trustees are responsible for keeping accounting records that disclose with reasonable accuracy at any time the financial position of the Foundation and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the Foundation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. In accordance with trust law, as charity trustees, we certify that:

- in so far as we are aware, there is no relevant information of which the Foundation's Independent Examiner is unaware; and
- we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant information and to establish that the Foundation's Independent Examiner is aware of that information.

Internal Controls

The trustees have overall responsibility for ensuring that the Foundation has appropriate systems of internal controls. They are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Foundation and enable them to ensure that the financial statements follow best practice and all applicable law regulation and guidance. The trustees are also responsible for the Foundation safeguarding its assets and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

THE FORSTER FOUNDATION CIO
REPORT OF THE TRUSTEES (continued)
FOR THE YEAR ENDED 31 DECEMBER 2021

2. STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Internal Controls (continued)

The system of internal controls is designed to provide reasonable, but not absolute, assurance against material misstatement or loss.

Risk Management

A risk assessment has been undertaken which comprises:

- An annual review of the risks the Foundation may face;
- The establishment of systems and procedures to mitigate those risks; and
- The implementation of procedures designed to minimise any potential impact on the Foundation should those risks materialise.

This continuing process will identify risk areas to which the Foundation is vulnerable and highlight any necessary safeguards that will need to be put in place. No major risks were identified at the date of these financial statements.

The trustees have signed fit and proper declarations in line with HMRC guidance.

3. OBJECTIVES AND ACTIVITIES FOR THE PUBLIC BENEFIT

The Foundation is established for general charitable purposes and will operate as a grant making charity, supporting charitable projects, organisations and individuals with grants of varying sizes and durations.

The trustees may use the income and the capital of the Foundation in promoting the objects.

Grant Making Policy

The trustees' grant making policy has been to generally consider making donations by way of direct funding and grants to charitable organisations, recognised as such in their respective jurisdiction. The recipient projects must be seen as exclusively charitable under English law. The Foundation has begun to put in place sound grant arrangements so that it can continue to properly select appropriate grantees and impose prudent terms on grants, including, as appropriate, monitoring and evaluation of the way in which funds are applied by grantees.

Statement of Public Benefit

The trustees are aware of the Charity Commission guidance on Public Benefit and confirm that they have complied with the duty in Section 4 of The Charities Act 2011 to have due regard to it. They consider the information which follows in this annual report about the Charity's aims, activities and achievements in the areas of interest that the Charity supports and demonstrates the benefit to its beneficiaries and through them to the public, that arise from those activities.

THE FORSTER FOUNDATION CIO
REPORT OF THE TRUSTEES (continued)
FOR THE YEAR ENDED 31 DECEMBER 2021

4. ACHIEVEMENT AND PERFORMANCE

Investments

The Foundation's assets consist principally of investments and cash and these are reported on the Balance Sheet and in the supporting notes at their market value at 31 December 2021. At 31 December 2021 the value of the trustees' investments was £47,981,228 (2020 - £39,336,248). Unrealised gains for the year were £8,692,079 (2020 - £4,153,552). Net realised gains on investment disposals in the year totalled £82,699 (2020 - £37,956).

Charitable Activities

Three charitable donations totalling £44,141 (2020 - four donations: £628,844) were made during the year. The trustees' grant making policies are set out in section 3 of this report.

Governance costs of £5,479 (2020 - £4,835) were incurred in the year, and are included in charitable activities.

5. FINANCIAL REVIEW

The balance of reserves at 31 December 2021 was £48,041,343 (2020 - £39,365,875).

Reserves Policy

The trustees have no outstanding commitments or cash demands. The net assets of the Foundation are regarded as free reserves and the funds at 31 December 2021 will be retained to make grants in accordance with the Foundation's charitable objects. The trustees consider that the freely expendable funds are appropriate and adequate taking into accounts plans for grants to be awarded in future and have at present therefore not designated any specific reserves. However, the trustees will keep this under constant review. In future years a specific reserves policy may be required.

Investment Policy

The trustees continue to be invested in the iShares Core MSCI World UCITS ETF, which represents the Foundation's sole investment. The trustees are happy that the fund provides sufficient diversification both geographically and from a sector perspective. The investment policy will continue to be kept under constant review.

6. PLANS FOR THE FUTURE

The trustees do not propose to deviate from the current objectives and activities of the Foundation as detailed in section 3 of this report but will further develop and refine their strategies, policies and procedures in future.

**Approved by the Trustees on
and signed on their behalf by:**

Paul Forster – 28 October 2022

**REPORT OF THE INDEPENDENT EXAMINER TO THE TRUSTEES
OF THE FORSTER FOUNDATION CIO**

I report on the accounts of the trust for the year to 31 December 2021, which are set out on pages 6 to 11.

Responsibilities and basis of report

As the charity's trustees you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the charity's accounts carried out under section 145 of the Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent Examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the charity as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Christopher Hawley – 31 October 2022

Christopher J Hawley FCA
Chartered Accountant and Independent Examiner
Eighth Floor
6 New Street Square
New Fetter Lane
London
EC4A 3AQ

THE FORSTER FOUNDATION CIO
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2021

	Page	Unrestricted Funds 2021 £	2020 £
EXPENDITURE ON:			
Charitable activities (note 2)	10	49,620	633,679
Cost of raising funds (note 3)	10	49,690	42,088
Total expenditure		<u>99,310</u>	<u>675,767</u>
Net expenditure before net gains on assets		(99,310)	(675,767)
Net gain on investments (note 6)	11	8,774,778	4,191,508
Net movement in funds		8,675,468	3,515,741
Reconciliation of funds:			
Total funds brought forward at 1 January 2021		<u>39,365,875</u>	<u>35,850,134</u>
Total funds carried forward at 31 December 2021		<u>£ 48,041,343</u>	<u>£ 39,365,875</u>

There are no recognised gains or losses other than those included in the statement of financial activities.

All incoming resources and resources expended derive from continuing activities.

THE FORSTER FOUNDATION CIO
BALANCE SHEET
AT 31 DECEMBER 2021

	Page	Unrestricted Funds 2021 £	2020 £
Fixed Assets			
Investments and cash at market value (note 6)	11	47,981,228	39,336,248
		<hr/>	<hr/>
CURRENT ASSETS			
Cash at bank (note 4)	10	66,755	36,827
		<hr/>	<hr/>
		48,047,983	39,373,075
CURRENT LIABILITIES			
Creditors - amounts falling due within one year (note 5)	10	(6,640)	(7,200)
		<hr/>	<hr/>
TOTAL NET ASSETS		£48,041,343	£39,365,875
		<hr/> <hr/>	<hr/> <hr/>
Represented by:			
Unrestricted funds		£48,041,343	£39,365,875
		<hr/> <hr/>	<hr/> <hr/>

The financial statements were approved and authorised for issue by the trustees and were signed on their behalf by:

Paul Forster – 28 October 2022

THE FORSTER FOUNDATION CIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

1. ACCOUNTING POLICIES

Basis of accounting

These financial statements have been prepared on a going concern basis under the historical cost convention, modified to include the revaluation of investments. The Foundation constitutes a public benefit entity as defined by FRS 102. 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) ("Charities SORP FRS 102") published October 2019, the Charities Act 2011 and UK Generally Accepted Practice. The principal accounting policies adopted are as follows:

The Foundation has applied FRS 102 Update Bulletin 1 and do not include a cash flow statement on this basis.

Fixed Asset Investments

Investments are included at closing mid-market value at the Balance Sheet date. Realised gains and losses on investments are recognised as they arise and any gain or loss on revaluation is taken to the Statement of Financial Activities (SOFA). The determination of any gains and losses is calculated by reference to the value of such assets at the beginning of the accounting period.

Income recognition

Voluntary donations include donations under Gift Aid with the associated tax relief included when receivable. Interest from deposit accounts are included when receivable. All incoming resources are included in the Statement of Financial Activities ("SOFA") when the Foundation is entitled to the income and the amount can be quantified with reasonable accuracy.

Expenditure recognition

All expenditure is included on an accruals basis and is recognised when there is a legal or constructive obligation committing the trustees to the expenditure.

Charitable activities comprise grants and donations made during the year and are expended through the SOFA when the offer is conveyed to the recipient. The trustees have made the decision not to discount grants committed for future periods.

Governance costs relate to the general running of the Foundation, as opposed to the management functions inherent in generating funds.

Status of funds

The entire resources of the Foundation are unrestricted and the trustees have complete discretion for their use in pursuance of their objectives.

THE FORSTER FOUNDATION CIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

1. ACCOUNTING POLICIES (continued)

Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised as expenditure.

Provisions

Provisions are recognised when the Foundation has an obligation at the Balance Sheet date as a result of a past event, it is probable that an outflow of economic benefit will be required in settlement and the amount can be reliably estimated.

Taxation

The Foundation is not subject to any taxes on its charitable activities.

Going concern

The Financial Statements have been prepared on a going concern basis. The Covid-19 pandemic has created operational pressures on all charities. The Foundation's expenditure requirements are within control of the trustees and therefore the pandemic has not had a negative impact on the Foundation's financial sustainability and the trustees consider the adoption of the going concern basis in preparing the financial statements to be appropriate.

THE FORSTER FOUNDATION CIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

		Unrestricted Funds	
	Page	2021	2020
		£	£
2. CHARITABLE ACTIVITIES			
UK grants awarded:			
Glyndebourne Productions (Reg charity no: 243877)		24,500	-
Rhino Ark Charitable Trust (Reg charity no: 1047083)		1,500	-
Addenbrooke Charitable Trust (Reg charity no: 1170103)		-	100,000
David Nott Foundation (Reg charity no: 1162537)		-	50,000
The Charleston Trust (Reg charity no: 1107313)		-	25,000
US grant awarded:			
Memorial Sloan Kettering Cancer Center (\$25,000)		18,141	-
EU grant awarded:			
INSEAD programme (€500,000)		-	453,844
		<hr/>	<hr/>
		44,141	628,844
		<hr/>	<hr/>
Governance costs			
Accountancy and administration fees		4,240	3,600
Independent examination fees		1,200	1,200
Bank charges		39	35
		<hr/>	<hr/>
		5,479	4,835
		<hr/>	<hr/>
	6	£ 49,620	£ 633,679
		<hr/>	<hr/>
3. COST OF RAISING FUNDS			
Investment management fees	6	£ 49,690	£ 42,088
		<hr/>	<hr/>
4. CASH AT BANK			
Rothschild GBP Capital Account	7	£ 66,755	£ 36,827
		<hr/>	<hr/>
5. CREDITORS - Amounts falling due within one year			
Accountancy and administration fees		5,440	4,800
Independent Examination fees		1,200	2,400
		<hr/>	<hr/>
	7	£ 6,640	£ 7,200
		<hr/>	<hr/>

THE FORSTER FOUNDATION CIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

	Page	Unrestricted Funds 2021 £	2020 £
6. INVESTMENTS AND CASH UNDER MANAGEMENT			
Investments at market value at 1 January 2022		39,336,247	35,856,651
Additions at cost (note 7)	11	2,000,000	-
Disposals at carrying value		(2,129,797)	(711,911)
		<hr/> 39,206,450	<hr/> 35,144,740
Realised gain on disposal		82,699	37,956
Unrealised gain on revaluation		8,692,079	4,153,552
		<hr/> 45,981,228	<hr/> 39,336,248
Quoted investments		45,981,228	39,336,248
Unquoted investments		2,000,000	-
		<hr/> £ 47,981,228	<hr/> £ 39,336,248
Market value at 31 December 2021	7	<hr/> <hr/>	<hr/> <hr/>
Historic cost at 31 December 2021		<hr/> £ 26,860,863	<hr/> £ 26,225,673
		<hr/> <hr/>	<hr/> <hr/>
Realised gain on disposal		82,699	37,956
Unrealised gain on revaluation		8,692,079	4,153,552
		<hr/>	<hr/>
Net gain on investment assets	6	£ 8,774,778	£ 4,191,508
All investments are held within the United Kingdom.		<hr/> <hr/>	<hr/> <hr/>

7. THE (GLOBAL) FUTURE FOREST COMPANY LTD

The Foundation invested £2million in exchange for 2,365,203 shares of the limited company detailed above (Company No. 11111043). As an unquoted investment the shareholding is initially accounted for at cost. It will then be recorded at fair market value once a valuation is formally conducted with any revaluation gain or loss being recorded through the SOFA.

An option agreement for 40,000 shares with a nominal value of £0.0000001 per share was granted on 22 September 2021. At the time of this report the option has not been exercised.

8. TRANSACTIONS WITH TRUSTEES AND CONNECTED PERSONS

No trustee received any remuneration or refund of expenses during the period to 31 December 2021 (2020 – Nil). A Trustee is Director of The (Global) Future Forest Company Ltd. It has been agreed that any remuneration received on behalf of the company will be directed to the Foundation.