

Future-Fit Foundation
(Limited by Guarantee)

Financial Statements
for the year ended 31 July 2021

Charity No: 1154245
Company No: 8608656

Future-Fit Foundation

Financial Statements for the year ended 31 July 2021

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Future-Fit Foundation

REPORT OF THE TRUSTEES

The trustees who are directors of the charity for the purposes of the Companies Act 2006 present their report with the consolidated financial statements of the group for the year ended 31st July 2021. The trustees confirm that the annual report and the financial statements comply with current statutory requirements, the requirements of the Charity's governing document and the provisions of Charities Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102).

1. Administrative Details

1.1. Name: Future-Fit Foundation

Registered address: Gillani & Co, 13 Limes Court, Conduit Lane, Hoddesdon, Hertfordshire, EN11 8EP.

Registered company number: 8608656

Registered charity number: 1154245

1.2. Trustees

Martin Allen (appointed 3 September 2020)

Lisa Attenborough

Paul Clements-Hunt (chair)

Craig Fergusson

Catherine Harris

Rachel Sandby-Thomas, CB

Bob Willard

1.3. Principal advisers

Legal advice is generously provided *pro bono* by Baker & McKenzie.

Accountancy services are generously provided by Knox Cropper.

Future-Fit Foundation

REPORT OF THE TRUSTEES (continued)

2. Structure, Governance and Management

2.1. Future-Fit Foundation is governed by Memorandum and Articles dated 15th July 2013, and was granted charitable status on 17th October 2013.

2.2. Method for recruiting and appointing new trustees

New trustees are appointed by resolution of the existing trustees. When considering the recruitment of new trustees, the trustees take into account the skills and experiences required by the charity and seek to ensure that the trustee body as a whole contains sustainable development, business, investment and charitable expertise.

2.3. Policies and procedures for trustee training

New trustees are given copies of the Memorandum and Articles, the latest Annual Report and Financial Statements, minutes of the 3 previous trustee meetings, copies of any useful strategy documents, the Charity Commission's *Essential Trustee*, and copies of the charity's Conflict of Interest Policy, Trustee Expenses Policy, Anti-Bribery Policy, Reserves Policy and Financial Controls Policy. They must also complete a Fit and Proper Persons Declaration, a Declaration of Interests and sign a Code of Conduct.

2.4. Organisation structure including details of delegated authority

Future-Fit Foundation is a registered company and registered charity. The trustees of the charity are also the members and directors of the company.

The board has established two sub-committees with delegated authority:

- Audit, Finance & Risk sub-committee members: Craig Fergusson, Bob Willard.
- Remuneration sub-committee members: Catherine Harris, Rachel Sandby-Thomas.

2.5. Future-Fit Foundation does not have any relationships with related parties.

2.6. The trustees have identified the major risks to Future-Fit Foundation and systems and controls are in place to manage those risks.

2.7. As of 22nd July 2015, the Charity Commission granted 3D Investment Foundation permission to use the name Future-Fit Foundation. As of 5th December 2017 the charity changed its legal name to Future-Fit Foundation.

Future-Fit Foundation

REPORT OF THE TRUSTEES (continued)

3. Objectives and Activities

3.1. The objects of the charity as set out in its governing instrument are:

1. To promote ethical investment for the public benefit so as to advance:
 - a. The relief of poverty;
 - b. The protection of the environment;
 - c. Compliance with the law and ethical standards of conduct; and
 - d. Such other purposes as may be effectively advanced by such promotion which are charitable in law.
2. To promote sustainable development for the benefit of the public by the promotion of sustainable means of achieving economic growth and regeneration.
3. To advance the education of the public in the principles and effects of ethical investment and subjects relating to sustainable development and the protection, enhancement and rehabilitation of the environment and to promote study and research in such subjects provided that the useful results of such study are disseminated to the public at large.

Sustainable development means "development which meets the needs of the present without compromising the ability of future generations to meet their own needs."

3.2. The principal aim of the charity is to develop, steward and promote global, open-source, scientifically rigorous, future-focused frameworks which identify the extra-financial break-even point of any organisation. The current framework being developed is known as the Future-Fit Business Benchmark (the "Benchmark") and will be used to help businesses, investors and the general public try to improve their impact on the world by encouraging sustainable development and promoting ethical investment. In time, it is hoped that resources will be available to enable framework development to be extended to measure the future-fitness of households, cities and countries.

3.3. The main objectives of the charity during the year covered by the annual report were:

- a) To develop a long-term funding model to enable the charity to carry out its aims and work;
- b) To continue the development of the Future-Fit Business Benchmark; and
- c) To develop working partnerships with global businesses, financial organisations, leading sustainability organisations and any other key stakeholders.

Future-Fit Foundation

REPORT OF THE TRUSTEES (continued)

3.4. The strategy for achieving the objectives and the principal activities undertaken during the year:

The trustees and executive team utilised their personal networks and industry contacts to help build the relationships necessary to help the charity achieve its aims. The core team focused on further developing the Future-Fit Business Benchmark, publishing Release 2.3 in June 2021 in the format of an online 'learning hub' whereby all the guidance is available as one easily accessible, interconnected resource. The core team continued to use the methodology to further develop relationships with global businesses, the investment industry and subject-matter experts.

3.5. Details of the work of individuals working in and with the charity:

The charity is led on a day-to-day basis by Dr Geoff Kendall (Chief Executive Officer) and Martin Rich (Executive Director), both of whom are full time and salaried and report to the board. Dr Kendall focuses primarily on the development of the Benchmark and building relationships with businesses and issue-specific experts, whilst Mr Rich focuses primarily on the core operations of the charity, building relationships with the investor community and growing the global Future-Fit community.

The charity employs eight other full-time, and two part-time, salaried staff.

Numerous other individuals have contributed greatly to the charity's work over the last year on a pro bono basis. The team is truly grateful to them all and has sought to recognize key individuals in the published work. The charity's website lists its Strategic Advisors and Expert Council members.

Future-Fit Foundation

REPORT OF THE TRUSTEES (continued)

4. Achievements and Performance

- 4.1. A review of the achievements during the year against each of the objectives set out in the previous section

a) To develop a long-term funding model to enable the charity to carry out its aims and work

The organisation's strategic plan envisages the charity reaching financial break-even and freeing itself from the need to keep seeking grants which are increasingly hard to find. The plan for this financial year was to grow income and raise another round of grant funding, with a plan to reach break-even in 2023. Unfortunately, the Covid-19 pandemic stayed with us for the entirety (and beyond) of the financial year, impacting our ability to significantly grow income as businesses around the world struggled to survive and grant-making foundations were inundated with funding requests.

Despite these challenges, the charity has continued to weather the storm so far. The team was able to secure market-leading development work with two UK banks to help their SME borrowers understand and improve their social and environmental footprints. This both generated welcome income and demonstrated the unique value of the Future-Fit methodology for banks seeking to understand the sustainability risks and opportunities within their credit books. The charity was also able to raise a third round of grant funding for £166,771 from Partners for a New Economy to support the development of our Pioneers program and associated tools.

All of our community programs have also continued to grow against the backdrop of the global downturn. The Pioneer program was launched in November 2020 with over 20 businesses committing to become Future-Fit and has continued to grow. The Changemaker program for individuals now has over 250 members and was relaunched in September 2020 on the Mighty Networks platform to increase access and usability. Similarly, the Accredited Partner & Certified Professional programs continue to be very well received, with c.70 individuals now certified around the globe. The income from these programs has not grown so strongly as many partners have had to delay their membership fees until their own cash flow improves – and the charity believes it is better for its long-term objectives to keep the community together in the interim. (Note that the Benchmark itself will remain open-source and free to use, it is only membership of the community programs that is charged for).

Future-Fit Foundation

REPORT OF THE TRUSTEES (continued)

The charity's executive has taken the opportunity provided by the pandemic to talk to our global community and deeply reflect on where the organisation has – and has not – been successful to date. This has led to the creation of a revised strategy for next year focused on i) tools for banks and financial institutions, ii) guidance for companies which are truly committed to transforming their business models to be fit for the 21st Century, and iii) continued growth of the global Future-Fit community. The board has agreed this plan with the executive, subject to finding appropriate funding, with the goal of achieving financial break-even in 2024.

b) To continue the development of the Future-Fit Business Benchmark

The Future-Fit Business Benchmark has been developed from a set of systems science principles that must be met in order to maintain a sustainable planet on which humanity and other life can flourish on Earth forever. The benchmark consists of a set of 23 Break-Even Goals, each with a corresponding progress indicator, that businesses must achieve to be reach social and environmental break-even – that is, become fully "Future-Fit". It also incorporates a set of 24 Positive Pursuits – categories of actions that businesses can take to restore past damage to the system conditions and help others make progress toward future-fitness.

Release 2.3 of the Benchmark was published in June 2021 as a newly formatted online, fully integrated 'learning hub' whereby all the guidance is available as one easily accessible resource via the charity's website (<https://benchmark.futurefitbusiness.org>). This version also introduced a range of further enhancements to the Break-Even Goals and Positive Pursuits. Furthermore, the Pioneer Disclosure Guide was published in July 2021 and the first examples of these disclosures can also be found on the charity's website (<https://futurefitbusiness.org/pioneer-directory>).

Usability of the Benchmark was further enhanced by the development of a set of 115 'Industry risk profiles' which designate the likely risk of each of the 23 Break-Even Goals to any company based purely on its business activities, as defined by the UN ISIC taxonomy. Using a set of questions, these generic profiles can then be tailored to produce a 'Company risk profile' that is specific to a given business. These risk profiles can now be used by businesses to help them prioritise actions across the Goals, and by financial institutions to create a risk/opportunity heatmap across their investment portfolios.

Future-Fit Foundation

REPORT OF THE TRUSTEES (continued)

The Impact Benchmarking Tool developed with Shell Foundation has shown that the Benchmark methodology can be used to create a comparable measure of 'impact', as viewed through the lens of the UN Sustainable Development Goals. Phase 2 of this project was completed in Q1 2021 with the implementation of an online tool for the foundation's investee social enterprises to capture their positive impacts and sustainability risks. Phase 3 of this work, focused on rolling the methodology out to the impact investment community more broadly, is anticipated to commence in early 2022.

The Benchmark is a living, evolving framework, enriched by the feedback by a growing community of users, so development will continue throughout the years ahead.

c) To develop working partnerships with global businesses, financial organisations, leading sustainability organisations and any other key stakeholders

Business implementation

Early adopter businesses have continued to embrace the Benchmark as a management tool to help them set targets and priorities, and to serve as a holistic framework through which to integrate truly sustainable practices throughout the whole business (including their supply chains). They are also helping to guide how the Benchmark could improve their extra-financial reporting, using the assessment methodology to capture their commitment and progress toward – and beyond – extra-financial break-even in a succinct, meaningful way.

The charity continues to engage with as wide a range of businesses as possible. The fourth gathering of Development Council members took place virtually in June 2021, but once again proved to be an extremely informative time, particularly in terms of helping to consider how the Benchmark can aid businesses seeking to recover from the pandemic.

There is now an active group of organisations using the Benchmark in Belgium, Denmark, New Zealand and the UK, providing a growing number of examples from which to learn what a coherent "community" looks like and how it can best be catalysed. Tourism Holdings Ltd (THL) in New Zealand published their second Future-Fit Integrated Report, followed by Better Energy of Denmark publishing their annual ESG report build entirely around the company's commitment to future-fitness. The Belgian community is also growing at an incredible rate and we anticipate there will be 10s of Pioneers in the country before the end of the year.

Looking ahead, the charity will continue to leverage these successes to communicate the benefits of the Benchmark as widely as possible across the business world, so it grows to be seen as the globally accepted method for companies to assess and disclose extra-financial performance.

Future-Fit Foundation

REPORT OF THE TRUSTEES (continued)

Investor implementation

The charity has continued to see growing interest in the Benchmark from financial institutions which are increasingly recognising the shortcomings of existing tools to provide the information they require – and the benefits that Future-Fit can bring.

The relationships with the financial institution Development Council members have helped to refine the narrative around the benefits to asset owners and managers of using the Benchmark, as well as the types of tools and guidance needed to be developed to help them on their journey. This group continues to grow with the addition of Virgin Money UK, Regnan (part of J O Hambro Capital Management) and 91 (formerly Investec Asset Management).

A partnership with Virgin Money UK bank has led to the creation of an easy-to-use questionnaire for SME borrowers to assess their response to sustainability issues and to receive guidance on potential action. A stylish mobile app is now available (<https://uk.virginmoney.com/business/sustainable-business-coach>) for anyone to use. The bank is targeting 10,000s of UK SMEs with this tool, encouraging action through a range of incentives, including cheaper borrowing. Pleasingly, they have taken a completely open-source approach, publishing a case study (<http://bit.ly/FF-VMcasestudy>) and encouraging other banks to follow their lead.

We have also worked with the UK Corporate Banking division of HSBC to develop an in-house tool aimed at helping their SME clients to assess their sustainability, built around our newly developed industry heatmaps. These two projects together have given the charity huge exposure to the UK SME market – all potentially new Pioneers – as well as created a toolkit that we can tailor and sell to other banks in the UK and abroad.

It is clear that the Benchmark can, in time, provide the type of consistent, comparable, aggregable, forward-looking data that investors have been crying out for to guide meaningful integration of social and environmental factors into portfolio construction. Utilising the industry heatmaps, and building on the learnings from the work with the banks, the charity is now in a strong position to catalyse adoption of the Benchmark across the financial institution sector.

Sustainability organisations and other key stakeholders

The Accredited Partner and Certified Professional program has grown swiftly, with over 70 Certified Professionals – and growing – across six continents. Despite the pandemic, these partners have continued to help companies to engage with the Benchmark without any need for direct engagement from the charity, thereby proving this is an effective method for scaling adoption.

Future-Fit Foundation

REPORT OF THE TRUSTEES (continued)

The team has continued to engage with a wide range of external parties, although speaking engagements have been significantly reduced and entirely through virtual means throughout the year due to the ongoing pandemic. The workshops developed for UN Global Compact Local Network members, showing how the Benchmark can be used to set goals and targets in pursuit of the UN Sustainable Development Goals, have been delivered virtually across a range of countries, such as Denmark, Germany and Singapore. The hope remains that these workshops can revert to being delivered in-person once the pandemic subsides.

The team has continued to focus on developing deep working relationships with subject-matter experts, growing and deepening the Expert Council of individuals who are willing to provide issue-specific guidance where needed.

4.2. Details of fundraising performance

Grant income received in the year has come primarily from two awards - £167k as the only instalment of a 12-month award from Swiss Philanthropy Foundation, and £34k as the final instalment of a £500k 18-month award from Shell Foundation. The charity has also earned c.£402k of income from a range of sources, primarily annual membership fees from Development Council and community members, and from partnering with organisations to help develop the real-world applicability of the Benchmark.

The charity is grateful to receive significant in-kind support from Baker & McKenzie and Knox Cropper.

4.3. Other information relevant to an understanding of the charity's activities and achievements

Readers are advised to visit www.futurefitbusiness.org for a full understanding of the charity's activities, objectives and achievements.

5. Financial Review

5.1. Review of the financial position of the charity

Despite the Covid-19 pandemic lasting for the entire period covered by the annual report, the total income generated by the charity only fell modestly compared to the previous financial year, receiving c.£216k of grant income and a further c.£402k of earned income. The charity therefore finished the year in a reasonable financial position, with good foresight of ongoing income, but is focused on raising a fresh injection of capital to be confident of maintaining operations for at least the next 12 months. Overheads are primarily salaries and associated costs, and monthly office rental payments as the team is based in a shared workspace in central London. The charity does not have any other ongoing liabilities.

Future-Fit Foundation

REPORT OF THE TRUSTEES (continued)

5.2. Explanation of principal funding sources and how the expenditure ties in with and supports the key objectives

The grant income was received from Swiss Philanthropy Foundation of £167k and Shell Foundation of £34k. The £402k of earned income came primarily from Development Council and community membership fees, development-related activities with corporate and banking partners, and workshops to promote usage of and engagement with the Benchmark.

The charity's principal expenditure during the period covered by the annual report was on salaries, tax and National Insurance for the team's work developing the Benchmark and promoting the charity. The other major items of expenditure relate to office space for the team, and IT and website costs.

In light of the ongoing Covid-19 pandemic, and the heightened risk to income that represented, the executive team continued to minimise expenditure as much as possible. The team mostly worked from home throughout the year, but a small office space was maintained to enable those with limited space to have flexibility when the regulations allowed. Travel costs continued to be zero with the global travel restrictions, and one member of the team was placed on furlough (and subsequently resigned in September 2021). With regard to income, the launch of the Pioneer program generated a new repeat income stream from businesses committing to become Future-Fit, and the two projects with UK banks generated substantial one-off income and helped raise the profile of the charity's work whilst also aiding UK SMEs to improve their environmental and social impacts. Extensive efforts were also made to find new sources of grant funding, as well as exploring new rounds of support from existing funders, although this proved extremely difficult as grant-makers were inundated with the fallout from the pandemic.

5.3. Reserves Policy, referring to level of reserves held and the need for reserves

The charity's only significant overheads currently relate to salaries, hence the trustees have agreed to try and hold / have available a minimum of three months' reserves. However, the trustees are aware that overheads will grow with the planned growth of the charity and they may not be able to rely on attracting *pro bono* support indefinitely, hence the reserves policy will be kept under review as the charity grows. The total unrestricted reserves at the year-end amounted to £40,467.

5.4. Explanation of any reserve in deficit and action being taken to eliminate deficit

The charity had no deficit at the end of the year and does not anticipate future deficits.

Future-Fit Foundation

REPORT OF THE TRUSTEES (continued)

5.5. Investment policy

The charity currently maintains a modest balance of funds, all of which are held with CAF bank. As all of the capital is currently allocated to salary and expenses in the short-term, none is available for investment. However, the trustees will review how funds are invested when larger sums are in hand.

The trustees seek to invest ethically, sustainably and in line with the objects of the charity, considering social and environmental impact. The trustees will try to balance financial return and social return and will actively consider investments with a potentially lower financial return in order to have assurance that the investments have a positive impact on society and the environment and are in line with the charity's objects.

5.6. Post-reporting period Covid-19 pandemic update

The pandemic has impacted businesses and non-profits around the globe in hitherto unimaginable ways, and Future-Fit has been no exception to this. As described above, the ongoing impacts have led us to redesign plans for reaching financial self-sustainability from 2023 to 2024. Since the summer 3 members of the team have resigned to move to another job, 3 have resigned to undertake Masters' degrees and one has been made redundant. This has substantially reduced monthly expenditure and the charity will look to rebuild the team as soon as the financial outlook improves. In the meantime, the Future-Fit board is focused on ensuring financial resilience and keeping the team healthy and committed, as our mission is even more relevant today than ever and the need and demand for us to continue pursuing our goals will only increase in the years ahead.

6. Plans for Future Periods

6.1. Explanation of objectives and activities for future periods

The charity's primary objective for the year 2021/22 is to scale global usage of the Future-Fit Business Benchmark through the growth of its partnership programs, and in particular the adoption of the methodology and tools among the financial institution and banking sectors. The trustees will also focus on securing the required funds to continue to develop a long-term funding model to enable the charity to carry out its aims and work.

7. Public Benefit

7.1 The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities.

Future-Fit Foundation

REPORT OF THE TRUSTEES (continued)

TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The trustees (who are also the directors of Future-Fit Foundation for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and 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 business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

By Order of the Trustees

Paul Clements-Hunt (Chair)



Date: 3 March 2022

Future-Fit Foundation

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES **(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)** **FOR THE YEAR ENDED 31st JULY 2021**

	Notes	Un- restricted Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
INCOME FROM					
Grants and donations	2	2,522	213,060	215,582	449,557
Charitable activities	3	330,885	-	330,885	203,108
Investments		-	-	-	-
Other Income		71,842	-	71,842	40,437
TOTAL		<u>405,249</u>	<u>213,060</u>	<u>618,309</u>	<u>693,102</u>
EXPENDITURE ON					
Raising funds	4	-	-	-	14,998
Charitable expenditure	5	550,381	191,217	741,598	761,433
TOTAL		<u>550,381</u>	<u>191,217</u>	<u>741,598</u>	<u>776,431</u>
Net Income/(Expenditure) for the year		(145,132)	21,843	(123,289)	(83,329)
Transfers between funds		-	-	-	-
NET MOVEMENT IN FUNDS		<u>(145,132)</u>	<u>21,843</u>	<u>(123,289)</u>	<u>(83,329)</u>
Total Funds Brought Forward		185,599	26,085	211,684	295,013
Total Funds Carried Forward		<u>40,467</u>	<u>47,928</u>	<u>88,395</u>	<u>211,684</u>

The group's income and expenditure all relate to continuing activities and there are no gains or losses other than those shown above.

The notes form part of these financial statements.

Future-Fit Foundation

CONSOLIDATED BALANCE SHEET AS AT 31ST JULY 2021

	Notes	2021 Charity £	2021 Group £	2020 Charity £	2020 Group £
FIXED ASSETS					
Tangible Assets	7	5,041	5,041	9,281	9,281
Investments	8	1	-	1	-
		<u>5,042</u>	<u>5,041</u>	<u>9,282</u>	<u>9,281</u>
CURRENT ASSETS					
Debtors	9	65,665	6,525	123,560	67,953
Cash at Bank and in hand		<u>154,381</u>	<u>163,817</u>	<u>240,195</u>	<u>268,620</u>
		220,046	170,342	363,755	336,573
CREDITORS: Amounts falling due within one year	10	(46,934)	(86,988)	(113,919)	(134,170)
NET CURRENT ASSETS		<u>173,112</u>	<u>83,354</u>	<u>249,836</u>	<u>202,403</u>
NET ASSETS		<u>178,154</u>	<u>88,395</u>	<u>259,118</u>	<u>211,684</u>
FUNDS					
Restricted Funds	11	47,928	47,928	26,085	26,085
Unrestricted Funds	12	<u>130,226</u>	<u>40,467</u>	<u>233,033</u>	<u>185,599</u>
		<u>178,154</u>	<u>88,395</u>	<u>259,118</u>	<u>211,684</u>

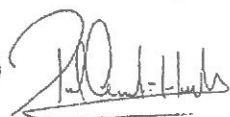
The Company is exempt from the requirements relating to preparing audited accounts in accordance with Section 477 of the Companies Act 2006. The members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

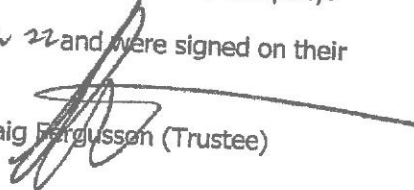
- ensuring that the company keeps accounting records which comply with sections 386 and 387 of the Companies Act 2006 and;
- preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The financial statements were approved by the Trustees on 3 March 22 and were signed on their behalf by:

Paul Clements-Hunt (Chair)



Craig Fergusson (Trustee)



Company Registration Number: 08608656

Charity Registration Number: 1154245

The notes form part of these financial statements.

Future-Fit Foundation

CONSOLIDATED STATEMENT OF CASH FLOW
AS AT 31ST JULY 2021

	2021	2020
	£	£
Cash flows from operating activities:		
Net cash provided by/(used in) operating activities	<u>(104,465)</u>	<u>(63,122)</u>
Cash flows from investing activities:		
Dividends and interest from investments	-	-
Purchase of property, plant and equipment	(1,691)	(6,452)
Proceeds from sale of assets	1,353	-
Purchase of investments	-	-
Net cash provided by/(used in) investing activities	<u>(338)</u>	<u>(6,452)</u>
Change in cash and cash equivalents in the reporting period	(104,803)	(69,574)
Cash and cash equivalents at the beginning of the reporting period	268,620	338,194
Cash and cash equivalents at the end of the reporting period	<u>163,817</u>	<u>268,620</u>

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

	2021	2020
	£	£
Net income/(expenditure) for the reporting period	(123,289)	(83,329)
Depreciation charges	4,578	4,198
(Gains)/losses on investments	-	-
Dividends and interest from investments	-	-
(Increase)/decrease in debtors	61,428	(1,114)
Increase/(decrease) in creditors	(47,182)	17,123
(Increase)/decrease in stock	-	-
Net cash provided by/(used in) operating activities	<u>(104,465)</u>	<u>(63,122)</u>

Future-Fit Foundation

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31ST JULY 2021**

1 Accounting Policies

a) Basis of preparation of accounts

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Financial Reporting Standard 102 and with the Charities SORP (FRS 102) "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. The presentational currency of the financial statements is Pound Sterling (£).

These financial statements consolidate the results of the Charity and its wholly-owned subsidiary, Future-Fit Ltd, on line by line basis. A separate Statement of Financial Activities for the Charity itself is not presented because the Charity has taken advantage of the exemptions afforded by the Companies Act 2006 and SORP 2019.

b) Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objects of the Charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donors which have been raised by the Charity for particular purposes.

c) Incoming resources

Grants are credited to incoming resources on the earlier date of when they are received or when they are receivable, unless they relate to a specific future period, in which case they are deferred. All other incoming resources are included in the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

d) Resources expended

All expenditure is accounted for on an accruals basis and has been included under expenses categories that aggregate all costs for allocation to activities.

e) Financial instruments

The charity only has financial assets and 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.

Future-Fit Foundation

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31ST JULY 2021**

f) Fixed assets

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of the fixed asset, less their estimated residual value, over their expected useful life on the following basis:

Computer equipment - over 3 years

g) Going Concern

These financial statements are prepared on a going concern basis which the trustees have concluded is appropriate taking into account both the expected forecast for the year and also allowing for the potential impact of Covid-19 on both income and expenditure. The Trustees report sets out the financial position on the Charity and how the Charity successfully adapted to the pandemic during 2020.

Future-Fit Foundation

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31ST JULY 2021**

2. Voluntary income

	Unrestricted Funds 2021	Restricted Funds 2021	Total Funds 2021	Total Funds 2020
Swiss Philanthropy Foundation		166,764	166,764	218,789
The Shell Foundation		34,255	34,255	177,000
The Joseph Rowntree Charitable Trust		-	-	37,500
Golden Bottle Trust	2,500	-	2,500	-
HMRC – JRS		12,041	12,041	16,231
Donations	22	-	22	37
	2,522	213,060	215,582	449,557

<i>COMPARATIVE VOLUNTARY INCOME</i>	Unrestricted Funds 2020	Restricted Funds 2020	Total Funds 2020
Swiss Philanthropy Foundation	-	218,789	218,789
The Shell Foundation	-	177,000	177,000
The Joseph Rowntree Charitable Trust	37,500	-	37,500
HMRC – JRS	-	16,231	16,231
Donations	37	-	37
	37,537	412,020	449,557

3. Income from charitable activities

	Unrestricted and Total 2021 £	Unrestricted and Total 2020 £
Corporate income	330,885	204,108
	330,885	204,108

Future-Fit Foundation

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31ST JULY 2021**

4. Activities for generating funds

The analysis of activities for generating funds for the year is as follows:

Core foundation funding

2021	2020
£	£
-	14,998
-	14,998

5. Charitable activities expenditure

	----- 2021 -----			----- 2020 -----		
	Direct Costs	Project Support Costs	Total 2021	Direct Costs	Project Support Costs	Total 2020
	£	£	£	£	£	£
Future-Fit Benchmark	7,545		7,545	161,244	-	161,244
Impact Valuation Project I			-	-	-	-
Impact Valuation Project II	36,909		36,909	328,506	-	328,506
FF and the UNGC	15,886		15,886	34,114	-	34,114
CJRS	12,041		12,041	16,231	-	16,231
Swiss Philanthropy	118,836		118,836			
Project Support Costs		550,381	550,381	-	222,338	222,338
	191,217	550,381	741,598	540,095	222,338	762,433

Included in Project Support costs are legal fees of £2,736 (2020: £3,619).

	2021	2020
	£	£
Net Income/(Expenditure) is stated after charging Independent examination fee	2,730	2,500

Future-Fit Foundation

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31ST JULY 2021**

6. **Staff and Related costs**

	2021	2020
	£	£
Wages and Salaries	542,653	566,785
Social Security Costs	60,431	52,837
Pension Costs	12,071	10,482
	<hr/> 615,155	<hr/> 630,104
	<hr/>	<hr/>
The average number of employees during the year was:	No 13	No 12
	<hr/>	<hr/>

The remuneration of Senior Management amounted to £133,100 (2020: £181,462).
Three employees received emoluments of more than £60,000 (2020: two employees).
The number of employees whose emoluments fell within the following bands were:

	2021	2020
60,001 - 70,000	1	
70,001 – 80,000	1	1
80,001 – 90,000	-	1

Trustees Remuneration and Benefits

One trustee received £6,500 for Honorarium, £2,000 representing salary and £4,500 invoices raised through The Blended Capital Group.

No trustee or other person related to the charity had any personal interest in any contract or transaction entered into by the charity during the year.

Future-Fit Foundation

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31ST JULY 2021**

7. Fixed Assets – Charity and Group

	Equipment £
Cost:	
At 1 st August 2020	20,127
Additions	1,691
Disposals	(1,680)
At 31 st July 2021	<u>20,138</u>
Depreciation:	
At 1 st August 2020	10,846
Charge for the period	4,578
Charge on disposal	(327)
At 31 st July 2021	<u>15,097</u>
Net Book Value:	
31 st July 2021	<u>5,041</u>
31 st July 2020	<u>9,281</u>

8. Investments

	Charity 2021 £	Group 2021 £	Charity 2020 £	Group 2020 £
Investment in subsidiary (Note 15)	1	-	1	-
	<u>1</u>	<u>-</u>	<u>1</u>	<u>-</u>

9. Debtors

	Charity 2021 £	Group 2021 £	Charity 2020 £	Group 2020 £
Trade debtors		2,500	48,914	58,914
Other debtors	1,500	1,500	5,239	5,239
VAT	1,169	1,379	-	-
Inter-company balance	62,050		69,407	
Prepayments	946	1,146	-	3,800
	<u>65,665</u>	<u>6,525</u>	<u>123,560</u>	<u>67,953</u>

Future-Fit Foundation

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31ST JULY 2020**

10. Creditors: Amounts falling due within one year

	Charity 2021 £	Group 2021 £	Charity 2020 £	Group 2020 £
Deferred income	27,682	66,267	87,932	107,183
Other Creditors	1,158	1,314	5,702	5,702
Taxation and Social Security	16,209	16,209	18,476	18,476
VAT	-	-	59	59
Accruals	1,885	3,198	1,750	2,750
	46,934	86,988	113,919	134,170

Deferred income comprises annual membership fees received from the Development Council, these fees are recognised on a straight line basis through the year.

11. Restricted funds – Charity and Group

	Balance 1/8/20 £	Incoming Resources £	Resources Expended £	Balance 31/7/21 £
Future-Fit Business Benchmark	7,545	-	(7,545)	-
Impact Valuation Project II	2,654	34,255	(36,909)	-
FF and the UNGC	15,886	-	(15,886)	-
CJRS	-	12,041	(12,041)	-
Swiss Philanthropy Foundation	-	166,764	(118,836)	47,928
	26,085	213,060	191,217	47,928

COMPARATIVE 2020	Balance 1/8/19 £	Incoming Resources £	Resources Expended £	Balance 31/7/20 £
Future-Fit Business Benchmark	-	168,789	(161,244)	7,545
Impact Valuation Project II	154,160	177,000	(328,506)	2,654
FF and the UNGC	-	50,000	(34,114)	15,886
CJRS	-	16,231	(16,231)	-
	154,160	412,020	(540,095)	26,085

Restricted funds represent the grant awarded from Shell Foundation for the Impact Valuation project and from Swiss Philanthropy Foundation for the Future-Fit Business Benchmark and UNGC project.

Future-Fit Foundation

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31ST JULY 2021**

12. Unrestricted funds

	Balance 1/8/20	Net Outgoing Resources	Balance 31/7/21
	£	£	£
Charity General Reserve	233,033	(102,807)	130,226
Subsidiary General Reserve	(47,434)	(42,325)	(89,759)
Consolidated General Reserve	<u>185,599</u>	<u>(145,132)</u>	<u>40,467</u>

COMPARATIVE 2020

	Balance 1/8/19	Net Incoming Resources	Balance 31/7/20
	£	£	£
Charity General Reserve	162,737	70,296	233,033
Subsidiary General Reserve	(21,884)	(25,550)	(47,434)
Consolidated General Reserve	<u>140,853</u>	<u>44,746</u>	<u>185,599</u>

13. Analysis of net assets between funds

	Restricted	Un- Restricted	Total
	£	£	£
Tangible Fixed Assets	-	5,041	5,041
Net Current Assets	47,928	35,426	83,354
	<u>47,928</u>	<u>40,467</u>	<u>88,395</u>

COMPARATIVE 2020

	Restricted	Un- Restricted	Total
	£	£	£
Tangible Fixed Assets	-	9,281	9,281
Net Current Assets	26,085	176,318	202,403
	<u>26,085</u>	<u>185,599</u>	<u>211,684</u>

14. Related Party Transactions

There were no related party transactions during the year.

Future-Fit Foundation

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31ST JULY 2021**

15. Trading subsidiary

Future-Fit Ltd was incorporated in the UK as a wholly owned subsidiary of the Future-Fit Foundation, on 30 August 2018 (Company number 11542791), with an issued share capital of £1. The company started trading in February 2019.

Future-Fit Ltd summary results for the year ended 31 July 2021 were as follows:

	2021	2020
	£	£
Turnover	71,816	40,437
Cost of Sales	105,681	59,028
Gross (Loss)/Profit	(33,865)	(18,591)
Administrative Expenses	(8,460)	(6,959)
Operating (Loss)/Profit	(42,325)	(25,550)
Interest	-	-
(Loss)/Profit before Taxation	(42,325)	(25,550)
Gift Aid	-	-
Loss for the financial year	(42,325)	(25,550)
 Current assets	 12,346	 42,225
 Liabilities	 (102,104)	 (89,658)
	(89,758)	(47,433)
 Capital and Reserves		
Called up share capital	1	1
Retained earnings	(89,759)	(47,434)
Net Assets	(89,758)	(47,433)

The following are the inter-company transactions during the year and balances held at the year end.

Balance due to Future-Fit Foundation	62,050	69,407
Future-Fit Foundation income entitlement during the year	105,681	58,028

Future-Fit Foundation

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31ST JULY 2021**

16. Consolidated Prior Year Comparatives

The breakdown between funds of income and expenditure for the year ending 31st July 2020 was as follows:

	Unrestricted Funds	Restricted Funds	Total 2020
	£	£	£
INCOME FROM:			
Grants and donations	37,537	412,020	449,557
Charitable Activities	203,108	-	203,108
Other income	40,437	-	40,437
Total Income	<u>281,082</u>	<u>412,020</u>	<u>693,102</u>
 EXPENDITURE ON:			
Raising Funds	14,998	-	14,998
Charitable Activities	221,338	540,095	761,433
Total Resources Expended	<u>236,336</u>	<u>540,095</u>	<u>776,431</u>
Net income/(expenditure) for the year	44,746	(128,075)	(83,329)
Total funds brought forward	<u>140,853</u>	<u>154,160</u>	<u>295,013</u>
Total funds carried forward	<u><u>185,599</u></u>	<u><u>26,085</u></u>	<u><u>211,684</u></u>

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF
FUTURE-FIT FOUNDATION ('the Group')
FOR THE YEAR ENDED 31 JULY 2021

I report to the charity trustees on my examination of the consolidated accounts of the Group comprising the Future-Fit Foundation ('the Charitable Company') and its subsidiary undertaking for the year ended 31 July 2021.

Responsibilities and basis of report

As the trustees of the Charitable Company (and also its directors for the purposes of company law) you are responsible for the preparation of the consolidated accounts of the Group in accordance with the requirements of the Charities Act 2011 ('the 2011 Act') and Companies Act 2006 ('the 2006 Act') and you have chosen to prepare consolidated accounts for the Group. You are satisfied that the accounts of both the Charitable Company and the Group are not required by charity or company law to be audited and have chosen instead to have an independent examination.

Having satisfied myself that the accounts of the Charitable Company are not required to be audited under Part 16 of the Companies Act and are eligible for independent examination, I report in respect of my examination of the consolidated accounts. I have carried out my examination under section 145 of the 2011 Act. In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the Charities Act.

An independent examination does not involve gathering all the evidence that would be required in an audit and consequently does not cover all the matters that an auditor considers in giving their opinion on the accounts. The planning and conduct of an audit goes beyond the limited assurance that an independent examination can provide. Consequently I express no opinion as to whether the consolidated accounts present a 'true and fair' view and my report is limited to those specific matters set out in the independent examiner's statement.

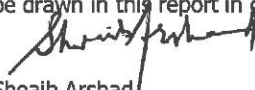
Independent examiner's statement

Since the Charitable Company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I can confirm that I am qualified to undertake the examination because I am a registered member of ICAEW which is one of the listed bodies.

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

1. accounting records with respect to the Charitable Company and its subsidiary undertaking were not kept as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act 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; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

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.


Shoaib Arshad
Knox Cropper LLP
Chartered Accountants
65 Leadenhall Street
London
EC3A 2AD

Date: 16 March 2022