

**British
Future...**

Company No: 07660799
Charity No: 1159291

**BRITISH FUTURE
(Company Limited by Guarantee)
ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2018**



BRITISH FUTURE

CONTENTS

FOR THE YEAR ENDED 31 MARCH 2018

Contents	Page
Officers and Professional Advisers	1
Trustees' Report	2
Independent Auditors' Report	10
Statement of Financial Activities	12
Balance Sheet	13
Statement of Cash Flows	14
Notes to Financial Statements	15

BRITISH FUTURE

OFFICERS AND PROFESSIONAL ADVISERS

FOR THE YEAR ENDED 31 MARCH 2018

Board of Trustees

Shirley Cramer (Chair)

Andrea Als

Qari Muhammad Asim MBE

Howard Jackson

Alasdair Murray

Shamit Saggar

Ayesha Saran

Shailesh Solanki

Jeanette Shellard

Wilf Weeks

(appointed June 2017; retired August 2017)

Director

Sunder Katwala

Company Registration Number

07660799

Charity Registration Number

1159291

Registered Office

Kean House
6 Kean Street
London
WC2B 4AS

Auditors

Godfrey Wilson
5th Floor
Mariner House
62 Prince Street
Bristol
BS1 4QD

Bankers

Metro Bank
1 Southampton Row
London
WC1B 5HA

BRITISH FUTURE

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2018

The Trustees have pleasure in presenting their report and the financial statements of the company for the year ended 31 March 2018.

Structure, Governance and Management

British Future ("the charity") is constituted as a company limited by guarantee and is governed by a Memorandum and Articles of Association.

On 20 November 2014, the charity was registered by the Charity Commission in recognition of its charitable status.

Appointment of Trustees

The Directors of the charity are its trustees and throughout this report are collectively referred to as the trustees. As set out in the charity's Articles of Association, trustees are elected by the members of the charity. The trustees have the power to appoint and fill casual vacancies: when a vacancy arises the Board considers the skill set and what gaps there are. New trustees can be nominated by any trustee: they can be recruited by advertisement or by targeting through professional contacts. Potential trustees are invited to apply to the chair who will arrange an interview with the Trustee Appointment sub-committee.

Induction and training of trustees

Trustees are given an in-depth introduction to the charity and the role of trustee through meetings with other trustees (including the Chair) and meetings with staff (including the Director). New trustees are also given relevant documentation including recent research, meeting minutes and annual reports. Workshops specifically for trustees are held at least once a year.

Organisational Structure

A board of up to 9 trustees administers the charity. The trustees of the charity are also its company law members. The day-to-day running of the charity is delegated to staff under the leadership of the Director. The board of trustees meets on a quarterly basis primarily to discuss issues of strategic direction both in relation to the running of the charity and the research priorities. They therefore approve an annual strategic plan and budget before the start of the year and then monitor progress against the plan during the year.

Risk Management

The charity has established an Operations and Governance Committee (OGC), which meets at least quarterly making quarterly reports and recommendations to the board of trustees for their approval. The OGC has delegated responsibility from the board of trustees for ensuring that there is a framework for accountability; for examining and reviewing all systems and methods of control, both financial and otherwise (i.e. administrative and human resources), as well as risk analysis and risk management; and for ensuring the charity is complying with all aspects of the law, relevant regulations and good practice. The Board itself is committed to conducting an annual review of risks as well as acting on recommendations from the OGC.

Objectives and Activities

(a) Objects

The charity's objects are:

To advance the education of the public in particular in the subjects of equality and diversity, human rights, racial and cultural harmony, citizenship and social inclusion.

BRITISH FUTURE

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2018

In furtherance of the objects, the charity may carry out and promote research and disseminate the useful results of such research, in particular comprising information leading to the better understanding of the matters set out in the objects.

(b) Aims

The charity aims to create a confident and inclusive Britain, fair and welcoming to all. It will connect with those who feel anxious about the future of Britain through mainstream media, and engage with their hopes and fears about immigration, integration, identity and opportunity by:

- Stimulating an honest, evidence-led debate about what creates an inclusive Britain.
- Promoting real-life examples of an inclusive Britain.
- Working with others to find practical solutions.

In particular, in a non-biased and objective way, the charity aims to research and promulgate the every-day experiences, emotions and personal histories of members of the public that have a bearing on the public understanding of these topics. In doing so, the charity aims to reflect the diversity of opinions and experience within and across society, with no focus on any particular political standpoints and as such, enjoys support from a wide variety of academic and educational institutions.

(c) Main objectives for the year

The main objectives for this year were that the charity should:

- 1 - Identify messages about creating an inclusive Britain and constructive responses to common anxieties about integration, identity, migration and opportunity;
- 2 - Develop a programme for media and public impact with our identified audiences;
- 3 - Produce high-quality educational material and disseminate it to the widest possible audience;
- 4 - Begin to work with influential bodies outside the sector, focusing particularly on the military, cultural and educational bodies involved in the centenary of the First World War, and economic bodies including businesses and trade unions.

Public Benefit

The trustees are conscious of and comply with the charity's duty to provide public benefit as that term is used in charity law and the Charity Commission's guidance on public benefit. The charity's activities are directed toward the fulfilment of the charity's charitable purposes and the delivery of public benefit.

The principal ways in which the charity provides public benefit is through the provision of objective, unbiased information not otherwise available to the general public on matters relating to cultural identity and integration, migration and equality of opportunity. The information is presented in a variety of ways through diverse media which allow a wide section of the public to have access to the information. The information is "educational" in the charitable sense and valuable to the general public because it is not available from other sources. The widespread use and referencing of the information by academics, educational institutions and mainstream media and commentators alike reflects the 'need' for it and the public benefit in providing it. Without information of this sort, it would be hard for the general public and interested academic and other institutions to achieve a full and balanced understanding of responses to cultural identity and integration, migration and equality of opportunity.

BRITISH FUTURE

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2018

April 2017 – 31 March 2018

Principal activities

British Future's role is informing public debate about immigration and integration, identity and opportunity. The charity continued to make useful contributions during a period when these themes continued to be the focus of high-profile debates in the UK, which are often heated and polarised, seeking to demonstrate how to involve the public in addressing these issues in a constructive way that can reduce anxiety and fear, and strengthen social relationships.

To mark the organisation's fifth anniversary in 2017, we produced an overview *Bringing Britain Together*, reflecting on the organisation's track record, setting out our key future priorities:

- The future of UK immigration policy beyond Brexit, including the role of public engagement in securing public consent and confidence.
- Developing a proactive approach to integration, that can help to address and bridge broader social, economic and identity divisions, nationally and locally.
- Protecting the status and rights of EU nationals resident in Britain.
- Working to combat prejudice, xenophobia and extremism of all kinds.
- Sharing lessons of our work with organisations doing similar work in the USA and across Europe.

The **National Conversation on Immigration** was our largest project. There are likely to be significant changes to immigration policy after Brexit. Securing public consent for a new system will depend on engaging people in discussing these choices; the research shows how this can unlock the potential for common ground that can get crowded out of highly polarised debates. This is a joint project between British Future and Hope Not Hate, which was an input into the Home Affairs Committee inquiry into the challenges of finding consensus on immigration. The scale of the project makes it the largest exercise in direct public engagement on the issue of immigration in the UK, or on any other public policy issue.

- 60 local citizens panels, held across all nations and regions of the UK.
- Stakeholder engagement meetings in those 60 locations.
- An online survey, open to the general public.
- Nationally representative attitudes polling.

The research findings featured extensively in the Home Affairs Committee's own report, *Immigration policy: basis for building consensus* (January 2018), which set out several proposals for how policy-makers and others could rebuild trust in immigration policy, including that national and local government should institutionalise this model of public engagement. British Future and Hope Not Hate published an interim report on the first 30 National Conversation local visits, alongside the select committee's report. The final report of the National Conversation is to be published in September 2018.

There has been strong interest in the project from many public policymakers, civic society, business, academic and media voices. Ensuring the research does reach relevant audiences with a role in shaping immigration policy and discourse in the UK will be an important focus in 2018-19.

Britain's approach to integration policy has been piecemeal. British Future is exploring how a coherent and proactive strategy can bridge community divides, from English language learning and celebrating the acquisition of citizenship, to increasing contact between people from different backgrounds.

BRITISH FUTURE

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2018

Having successfully advocated for the appointment of a Deputy Mayor for Integration in London, a Spring 2017 British Future report set out what six newly-elected Metro-Mayors could do in their cities and regions. The report led to proactive engagement with several Mayors, particularly in the West Midlands. The Core Cities network and the Inclusive Cities network hosted sessions on the lessons from the national conversation; we also hosted a major British Library conference on local integration in May 2018.

The publication of the government's Integrated Communities Green Paper in March 2018 offered opportunities to develop a proactive national integration strategy.

The 50th anniversary of the 'Rivers of Blood' speech by Enoch Powell offered an opportunity to offer a long-term perspective on the contemporary challenges of racism and prejudice. British Future convened stakeholders in Wolverhampton, and groups of citizens across different generations in Birmingham, Dudley and Wolverhampton.

With hate crime rising, there is increasing concern about how to tackle xenophobia and prejudice. Organisations working in this field, usually on specific strands of prejudice, face significant capacity pressures and can be isolated. British Future has worked to build networks of civic actors working on integration and anti-xenophobia themes, to share learning across strands on how to take a strategic approach to these challenges, particularly to reach tougher audiences. The research has been shared with anti-prejudice civic groups in the UK and with the European Network on Anti-Racism (ENAR) in Brussels.

The centenary of the first world war has been an important area of focus for British Future. Many people are surprised to hear that the armies which fought for Britain a century ago resemble the Britain of 2018 rather more than that of 1918 in their multi-ethnic and multi-faith society. Engagement with this shared history can play a powerful role in broadening contemporary understandings of identity among both majority and minority audiences, and bridging social divides. British Future worked with New Horizons in British Islam on a joint Heritage Lottery Fund project, to increase awareness among both Muslim audiences and the public generally of the 400,000 Muslim soldiers who fought for Britain. This included local projects in Bradford, Belfast, Leeds and London. British Future will build on this work in 2018 with the 'Remember Together' project, working with the Royal British Legion and a broad civic and inter-faith coalition.

British Future staff took up many opportunities to work with policy practitioners and stakeholders who could make practical use of our research. Director Sunder Katwala was a member of the West Midlands Leadership Commission, convened by West Midlands Mayor Andy Street, which looked at the challenges for the region in ensuring leadership reflected the region's population. Jill Rutter, Director of Strategy and Relationships, conducted a review for Bradford Council of the Council's integration strategy. Sunder Katwala was a senior adviser to the Citizens UK Commission on Islam in Public Life, chaired by Dominic Grieve MP, which reported in July 2017.

Sunder Katwala also took up a role on an advisory panel to the new Commission for Countering Extremism, starting in July 2018.

Publications

Integration: from national rhetoric to local reality (May 2017)

Immigration: the manifesto challenge (May 2017)

Time to get it right: finding consensus on Britain's future immigration policy (September 2017)

Mind the gap: how the ethnic minority vote cost Theresa May her majority (October 2017)

National Conversation on Immigration: interim report (January 2018)

Many Rivers Crossed: Britain's attitudes to race and immigration, 50 years after Rivers of Blood (April 2018)

BRITISH FUTURE

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2018

Events

British Future itself organised seminars and roundtables on migration and integration in London and at the major party political conferences

British Future staff also regularly contributed to a wide spectrum of media outlets including all national daily and Sunday newspapers across the United Kingdom, many local newspapers and media outlets, the BBC, ITV, Sky, BBC Asian Network, Bloomberg News, the Huffington Post, Eastern Eye, The Guardian and over 150 other publications and programmes.

Across the year British Future staff took up the opportunity to share the learning and work with as many groups as possible including presenting at events hosted by:

British Hospitality Association	Migration Exchange
British Red Cross	Museums Association
Centre for London	New Philanthropy Capital
Centre on Migration, Policy and Society	Organisation for Security and Co-operation – Countering Hate and Extremism Workshop (Vienna)
ConservativeHome	Paul Hamlyn Foundation
Core Cities UK	PWC
East of England Local Government Association	Refugee Employment Network
EU Careers Advisers Network	Refugee Week
EU Nationals Working Group	Royal Holloway
Greater London Authority	Stiftung Mercator
Joint Council For the Welfare of Immigrants	Strategic Migration Forum
Jo Cox Loneliness Commission	Theos
Higher Education Policy Institute	UK Foreign Office – Chevening Programme
Home Office Settlement Scheme User Group	University Alliance
Home Affairs Select Committee	University of Essex
Ipsos Mori	University of Greenwich
Labour Together	University of Manchester
Leicester Muslim Comms Network	University of Winchester
Lewisham Refugee and Migrant Network	Warwick School Sixth Form
London School of Economics	West Midlands Leadership Commission
London Councils	

Financial Review

Income

Since its founding in 2012, British Future has received core funding from the Barrow Cadbury Trust, Oak Foundation, Unbound Philanthropy, Sigrid Rausing Trust and Trust for London. The Diana Princess of Wales Memorial Fund was among the founding funders prior to its closure. During the year a grant for core funding was also received from the J Leon Trust and the John Ellerman Foundation.

This year also saw a number of specific projects, which were funded by grants from Barrow Cadbury Trust, Global Dialogue, Paul Hamlyn Foundation, Sigrid Rausing Trust, the Heritage Lottery Fund, Joseph Rowntree Charitable Trust, Unbound Philanthropy and Aziz Foundation.

In addition, the Charity carried out specific work under contract for Unbound Philanthropy, Bradford Council, Growth From Knowledge (GFK), Ernst & Young (EY) and PricewaterhouseCoopers (PwC).

Details of specific projects are set out in note 8 to the accounts.

BRITISH FUTURE

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2018

Thanks to the ongoing support of its original funders and funding from new supporters, the charity has sufficient funds to continue to fulfill its objectives in the short to medium term. Notwithstanding this, the Charity continues to develop its fundraising programme to ensure it has the funds necessary to carry out its objects and achieve its aims in the longer term.

The Board also wishes to thank the Barrow Cadbury Trust and Kirkland & Ellis LLP for their substantial support to the Charity in the form of donated professional services and donated facilities.

Expenditure

The charity's staff team was primarily focused on charitable activities during the year with additional external costs incurred to carry out strategic initiatives and to engage additional resources as required.

Reserves Policy

As a general policy, the Board aims for the Charity to hold around four months of overhead expenditure in reserves, equivalent to around £100,000. Due to the nature and timing of incoming resources, at each year-end the Board considers the situation in line with this general reserves policy.

The unrestricted reserves for the Charity at 31 March 2018 were £35,659. Due to the large size of grants relative to the Charity's overheads, the Charity's reserves fluctuate depending on the timing of the receipt of grant income. In May 2018, the Charity received core funding of £80,000, which replenished its reserves in line with its policy.

Fundamental Accounting Concepts

As a not-for profit charity that has now registered with the Charity Commission, the charity has prepared these accounts in accordance with Statement of Recommended Practice, Accounting and Reporting by Charities (Charities SORP 2015 – FRS 102).

Plans for Future Periods

The trustees plan to continue activities within the charity's charitable purposes, including promoting further useful, objective research with an educational value on issues relating to cultural identity and integration, migration and equality of opportunity.

The trustees also aim to develop new ways in which the public's experiences of responses to these issues may be better understood, including developing avenues of objective research that reflect the less-well understood aspects of emotional and subjective responses to these issues.

The charity's priorities for the next period are:

- * to conduct and disseminate objective research into public attitudes toward identity, culture and integration in British society; and into the economic, social and cultural impacts of migration, using both quantitative and qualitative research; disseminating this to the general public, through public events and contributions to the media;
- * to disseminate the results of that research to the general public and in such a way as to inform in a balanced and objective way the public contributions of institutions involved in public debate of relevant topics (including business and trade unions; civic society groups; government and the major political parties); and, in particular, considering how to engage with the general public, including those with possibly deep anxieties about these issues, in a way which can engender interest in learning more and achieving a better understanding of public attitudes to these issues;
- * to further deepen relationships with those working for constructive 'common ground' responses, bringing people together across different ethnic, faith and class backgrounds, and seeking to help such efforts engage general public audiences as fully as possible. We are particularly concerned to ensure that constructive efforts to develop common ground approaches reach those who are anxious about community relations in Britain today;
- * to identify future funding sources which will enable it to further diversify its current funding base during 2019/20.

BRITISH FUTURE

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2018

STATEMENT OF RESPONSIBILITIES OF THE TRUSTEES

The Trustees (who are also Directors of the charity 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, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Company law 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 charity and of the income and expenditure of the charity 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 Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which enable them to ensure that the financial statements comply with the Companies Act 2006. The Trustees are also responsible for safeguarding the assets of the charity 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; and
- 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 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.

RISK MANAGEMENT

British Future has a formal risk management process through which the Leadership Team identifies the major risks to which the organisation may be exposed and has ranked these by likelihood and impact, culminating in a risk control document which is updated on a regular basis. All significant risks, together with current mitigation actions, are reviewed regularly throughout the year by the Trustees. The Trustees are satisfied that systems have been developed and are in place to mitigate identified risks to an acceptable level.

BRITISH FUTURE

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2018

The principal risks and uncertainties identified by the charity are as follows:

- That the charity cannot continue to raise sufficient funds for the long term.

To mitigate this, the charity seeks a mix of core funding to the medium term and project funding to fund specific projects. As the charity establishes itself as a thought leader, it will be seeking longer term funding to enable greater focus on its operations.

- There is a loss of perception of political impartiality, or public confidence to our political independence/impartiality.

In order to prevent this, the management regularly monitors its speakers, contributors, interlocutors to ensure that our work is both factual and balanced.

REMUNERATION OF STAFF

British Future has a policy of giving discretionary pay increases on an annual basis. These take into account annual inflation and individual team performance whilst ensuring that any increases are affordable in the prevailing circumstances.

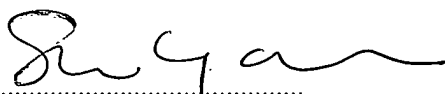
AUDITORS

Godfrey Wilson Limited were appointed as auditors to the charitable company during the year and have expressed their willingness to continue in that capacity.

SMALL COMPANIES PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Section 415A of the Companies Act 2006.

This report was approved by the Board on 12th September 2018 and signed on its behalf by



Shirley Cramer - Chair

BRITISH FUTURE

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BRITISH FUTURE

Opinion

We have audited the financial statements of British Future (the 'charity') for the year ended 31 March 2018 which comprise the statement of financial activities, balance sheet, statement of cash flows and the related notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2018 and of its 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion 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' report (incorporating the Trustees' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and

BRITISH FUTURE

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BRITISH FUTURE (continued)

- the trustees' report (incorporating the directors' report) have 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 charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us;
- the financial statements are not in agreement with the accounting records and returns;
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement set out in the trustees' report, the trustees 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 they 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

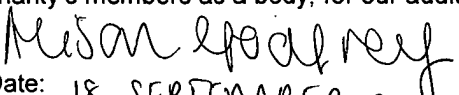
Our responsibilities for the audit of the financial statements

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.

A further description of our responsibilities for the audit of the financial statements is located 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 charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity'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 charity's members as a body, for our audit work, for this report, or for the opinions we have formed.


Date: 18 SEPTEMBER 2018

Alison Godfrey FCA
(Senior Statutory Auditor)
For and on behalf of:
GODFREY WILSON LIMITED
Chartered accountants and statutory auditors
5th Floor Mariner House
62 Prince Street
Bristol
BS1 4QD

BRITISH FUTURE

STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating the Income and Expenditure Account)

FOR THE YEAR ENDED 31 MARCH 2018

	Notes	2018			2017		
		Unrestricted Funds £	Restricted Funds £	Total £	Unrestricted Funds £	Restricted Funds £	Total £
Income from:							
Donations	2a	45,346	-	45,346	43,628	-	43,628
Charitable activities	2b	88,120	402,707	490,827	183,109	330,844	513,953
		<u>133,466</u>	<u>402,707</u>	<u>536,173</u>	<u>226,737</u>	<u>330,844</u>	<u>557,581</u>
Expenditure on:							
Charitable Activities	3	145,770	433,310	579,080	194,937	309,970	504,907
		<u>145,770</u>	<u>433,310</u>	<u>579,080</u>	<u>194,937</u>	<u>309,970</u>	<u>504,907</u>
Net income / (expenditure) and net movement in funds		(12,304)	(30,603)	(42,907)	31,800	20,874	52,674
Funds brought forward		<u>47,963</u>	<u>61,758</u>	<u>109,721</u>	<u>16,163</u>	<u>40,884</u>	<u>57,047</u>
Funds carried forward	8	<u>35,659</u>	<u>31,155</u>	<u>66,814</u>	<u>47,963</u>	<u>61,758</u>	<u>109,721</u>

All of the activities are continuing.

There were no recognised gains or losses other than those stated above.

The notes on pages 15 to 22 form part of these financial statements.

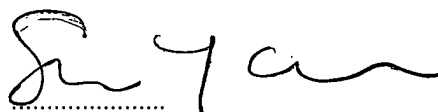
BALANCE SHEET

AS AT 31 MARCH 2018

	Notes	2018 £	£	2017 £	£
CURRENT ASSETS					
Debtors	6	33,470		8,341	
Cash at bank and in hand		54,475		149,548	
			87,945		157,889
CREDITORS: amounts falling due within one year	7	(21,131)		(48,168)	
			(21,131)		(48,168)
NET CURRENT ASSETS		<u>66,814</u>		<u>109,721</u>	
FUNDS					
Unrestricted funds		35,659		47,963	
Restricted funds		31,155		61,758	
TOTAL FUNDS	8	<u>66,814</u>		<u>109,721</u>	

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006 and with the SORP 2015 (FRS 102).

These financial statements were approved and authorised for issue by the Trustees on 12 September 2018 and were signed on their behalf by:



Shirley Cramer - Chair

The notes on pages 15 to 22 form part of these financial statements.

BRITISH FUTURE**STATEMENT OF CASH FLOW****AS AT 31 MARCH 2018**

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash used in operating activities	11	(95,073)	129,236
		<hr/>	<hr/>
Change in cash and cash equivalents in the year		(95,073)	129,236
Cash and cash equivalents at the beginning of the year		149,548	20,312
		<hr/>	<hr/>
Cash and cash equivalents at the end of the year		<u>54,475</u>	<u>149,548</u>

The notes on pages 15 to 22 form part of these financial statements.

BRITISH FUTURE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

1. ACCOUNTING POLICIES

a) **Basis of preparation**

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

b) **Public benefit entity**

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

c) **Going concern**

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern. The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

Taking into account the expected grant and contract income over the next 12 months, the Board has a reasonable expectation that the charity has adequate resources to continue in operation for the foreseeable future. Thus it continues to adopt the going concern basis of accounting in preparing the financial statements.

d) **Income recognition**

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

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

Income received in advance of provision of services delivered under a contract is deferred until criteria for income recognition are met.

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item, is probable and the economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), general volunteer time is not recognised.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

BRITISH FUTURE

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2018

e) Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity.

f) Resources expended

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

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

Charitable expenditure includes costs of services and support costs. Governance costs are those associated with constitutional and statutory requirements.

g) Basis of cost allocation

Wherever possible, costs are allocated direct to the appropriate cost centre. Where this has not been possible, costs are apportioned to the charity's activities on the basis of the staff time attributable to that activity.

h) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

i) Creditors and provisions

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

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

j) Pension costs

The charity operates a money purchase scheme for its employees. The assets of the scheme are held separately from those of the charity in independently administered funds. The accounting policy of the charity is to charge contributions to the Statement of Financial Activities as they fall due.

k) Employee benefits

Short term benefits - Short term benefits including holiday pay are recognised as an expense in the period in which the service is received.

Employee termination benefits - Termination benefits are accounted for on an accrual basis and in line with FRS 102.

l) Cash at bank and in hand

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

BRITISH FUTURE

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2018

2a. INCOME FROM DONATIONS

	Restricted	Unrestricted	Total 2018	Total 2017
	£	£	£	£
Donated professional services and facilities	-	45,030	45,030	43,628
Other donations	-	316	316	-
	<u>-</u>	<u>45,346</u>	<u>45,346</u>	<u>43,628</u>

During the current and prior periods, the Charity benefitted from the use of office space and accountancy services provided by the Barrow Cadbury Trust without charge. In addition, during the current year, the Charity was provided with donated services from Kirkland & Ellis LLP who provided legal support in respect of the governance of the Charity.

2b. INCOME FROM CHARITABLE ACTIVITIES

	Restricted	Unrestricted	Total 2018	Total 2017
	£	£	£	£
Grants				
Paul Hamlyn Foundation	105,000	-	105,000	15,150
Unbound Philanthropy	80,000	-	80,000	93,000
Sigrid Rausing Trust	75,000	-	75,000	-
The Oak Foundation	-	-	-	60,529
The Barrow Cadbury Trust	54,700	-	54,700	81,500
The John Ellerman Foundation	-	40,000	40,000	-
Heritage Lottery Fund	38,007	-	38,007	59,650
Trust for London	25,000	-	25,000	50,000
J Leon Trust	-	15,000	15,000	15,000
Social Change Initiative	-	-	-	15,000
Joseph Rowntree Charitable Trust	10,000	-	10,000	10,000
Aziz Foundation	10,000	-	10,000	-
Citizens UK	-	-	-	10,000
Global Dialogue	5,000	-	5,000	8,000
Trade Union Congress	-	-	-	5,000
Imperial War Museum	-	-	-	5,000
BBC	-	-	-	2,500
Commonwealth War Graves	-	-	-	2,500
Department for Culture, Media & Sport	-	-	-	2,500
IOD	-	-	-	2,000
New Horizons	-	-	-	1,515
Contracts				
Unbound Philanthropy	-	12,000	12,000	24,920
Universities UK	-	-	-	10,000
Bradford Consultancy: Neighbourhood & Customer	-	8,620	8,620	-
Save the Children	-	-	-	7,000
Fragomen	-	-	-	5,000
British Red Cross	-	-	-	7,000
EY LLP	-	5,000	5,000	15,000
PWC LLP	-	4,500	4,500	6,000
GFK consultancy	-	3,000	3,000	-
Other grants and contracts	-	-	-	189
	<u>402,707</u>	<u>88,120</u>	<u>490,827</u>	<u>513,953</u>

BRITISH FUTURE**NOTES TO THE FINANCIAL STATEMENTS (continued)****FOR THE YEAR ENDED 31 MARCH 2018****3. TOTAL EXPENDITURE****a) Charitable activities**

	Total 2018 £	Total 2017 £
Direct project costs (including staff)	171,584	102,334
Other staff costs	289,507	286,319
Other support costs	81,637	89,564
Governance costs 3(b)	36,352	26,690
	<u>579,080</u>	<u>504,907</u>

Support costs are allocated on the basis of staff time.

b) Governance costs

	2018 £	2017 £
Staff costs	18,754	13,880
Other support costs	4,606	3,894
Trustee indemnity insurance	2,774	2,473
Trustee travel & meetings	86	76
Audit and legal costs	10,132	6,367
	<u>36,352</u>	<u>26,690</u>

Resources expended includes charges for the following:

Auditors remuneration (including VAT)	<u>5,160</u>	<u>6,354</u>
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4. STAFF COSTS

	2018 £	2017 £
Salaries	274,768	275,760
Social security costs	26,450	27,537
Pension costs	24,199	22,605
	<u>325,417</u>	<u>325,902</u>

	No.	No.
Average number of staff	<u>5</u>	<u>6</u>

BRITISH FUTURE**NOTES TO THE FINANCIAL STATEMENTS (continued)****FOR THE YEAR ENDED 31 MARCH 2018****4. STAFF COSTS (continued)**

In the current and previous years, one employee received remuneration between £100,000 and £110,000 during the year. Employer pension costs for this employee totalled £10,303 for the year (2017 - £10,072).

During the year the charity paid termination costs of £13,623 (2017 – £13,325).

The key management personnel of the charity are considered to be the trustees and the Director. The total employee benefits, including Employer's National Insurance and pension contributions, of the key management personnel amounted to £126,430 (2017: 123,569).

Staff costs are allocated as follows:

	2018 £	2017 £
Included within direct project costs	17,156	25,703
Charitable activities	289,507	286,319
Governance	18,754	13,880
	<u>325,417</u>	<u>325,902</u>

5. TRUSTEE REMUNERATION AND COSTS

No remuneration was paid to any trustee (2017 – nil). During the year, travel expenses of £86 were paid to one trustee (2017– £76 were paid to one trustee).

6. DEBTORS

	2018 £	2017 £
Prepayments and accrued income	33,470	8,341
	<u>33,470</u>	<u>8,341</u>

7. CREDITORS: amounts falling due within one year

	2018 £	2017 £
Trade creditors	2,177	15,337
Social security and other taxes	-	9,451
Deferred income and accruals	14,792	16,879
Other creditors	4,162	6,501
	<u>21,131</u>	<u>48,168</u>

There is no deferred income in 2018. In the prior year, £5,000 of contract income was deferred to deliver the strategic forum work in 2017/18.

BRITISH FUTURE

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2018

8. FUNDS

Movement in Funds for the year ended 31 March 2018

	Balance at 1 April 2017 £	Income £	Expenditure £	Balance at 31 March 2018 £
Restricted funds				
Core costs	-	159,700	(159,700)	-
HLF 1	574	-	(574)	-
HLF 2	18,065	38,007	(56,072)	-
WW1 Tracker	2,500	-	-	2,500
Engaging unusual alliances	10,000	-	(10,000)	-
New Beginnings	24,703	-	(24,703)	-
National Conversation	5,916	96,500	(82,416)	20,000
General Election Attitudes Research	-	8,500	(8,500)	-
Anti-prejudice	-	90,000	(86,345)	3,655
Integration network	-	10,000	(5,000)	5,000
	61,758	402,707	(433,310)	31,155
Unrestricted funds				
General fund	47,963	133,466	(145,770)	35,659
Total funds	109,721	536,173	(579,080)	66,814

Comparative movement in Funds for the year ended 31 March 2017

	Balance at 1 April 2016 £	Income £	Expenditure £	Balance at 31 March 2017 £
Restricted funds				
Core costs	-	177,529	(177,529)	-
Citizens UK	-	10,000	(10,000)	-
HLF 1	40,884	11,465	(51,775)	574
HLF 2	-	49,700	(31,635)	18,065
WW1 Tracker	-	12,500	(10,000)	2,500
EU migrant enquiry	-	7,000	(7,000)	-
Engaging unusual alliances	-	10,000	-	10,000
New Beginnings	-	29,650	(4,947)	24,703
Post Referendum Workshop	-	8,000	(8,000)	-
National Conversation	-	15,000	(9,084)	5,916
	40,884	330,844	(309,970)	61,758
Unrestricted funds				
General fund	16,163	226,737	(194,937)	47,963
Total funds	57,047	557,581	(504,907)	109,721

BRITISH FUTURE

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2018

8. FUNDS (continued)

- Income for unrestricted funds includes £12,000 from Unbound Philanthropy.
- For restricted funds, the Barrow Cadbury Trust, Unbound Philanthropy and Trust for London grants related to core funding.
- The Heritage Lottery Fund and New Horizons funding related to two specific projects, HLF1 entitled "An Unknown and Untold Story - The Muslim Contribution in the First World War" and HLF2, "New Understandings: Creating Connections" which began in December 2016.
- EU migrant enquiry related to a panel of inquiry convened on the status of EU Nationals.
- Engaging unusual alliances related to project funding for "Winning Coalitions for Change"
- New Beginnings was a project where British Future provided communications training for smaller, grassroots organisations predominantly focused on refugee protection.
- The National Conversation project is feeding into the Home Affairs Select Committee inquiry on immigration policies after Brexit.
- Anti-prejudice was a project that facilitated the creation and running of an Anti-Prejudice network as well as undertaking attitudinal work and message testing.
- Integration Network is a regular forum set up to bring together public sector, civil society organisations, think tanks and economic experts to share best practice and ideas on messaging and advocacy.
- General Elections Attitudes Research was a research project focussed on key immigration and integration questions following the 2017 General Election. This was disseminated via a workshop and a strategic advice paper.

9. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances are represented by:	Restricted Funds £	Unrestricted Funds £	Total Funds £
At 31 March 2018 - Net current assets	<u>31,155</u>	<u>35,659</u>	<u>66,814</u>
At 31 March 2017 - Net current assets	<u>61,758</u>	<u>47,963</u>	<u>109,721</u>

10. CAPITAL COMMITMENTS

As at 31 March 2018, the charity had no capital commitments (2017: none).

11. RECONCILIATION OF OPERATING ACTIVITIES

	2018 £	2017 £
Net (expenditure)/income for the reporting period (as per the statement of financial activities)	(42,907)	52,674
(Increase)/decrease in debtors	(25,129)	46,517
Increase/(decrease) in creditors	(27,037)	30,045
Net cash provided by / (used in) operating activities	<u>(95,073)</u>	<u>129,236</u>

BRITISH FUTURE

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2018

12. CONTINGENT LIABILITIES

As at 31 March 2018, the Charity had no contingent liabilities (2017: none).

13. RELATED PARTY TRANSACTIONS

There were no related party transactions during the current or previous year.