

# **FORESTER INVESTMENTS LIMITED**

(Registered in England & Wales, no. 02997629)

## **REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

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## **Forester Investments Limited**

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# **Forester Investments Limited**

## **BOARD OF DIRECTORS**

E T Allison  
L Pilipovic (Appointed 28 January 2019)

## **Company Secretary**

J C Rose

## **Principal Banker**

National Westminster Bank Plc  
City of London Office  
PO Box 12258  
1 Princes Street  
London  
EC2R 8PA

## **Auditor**

KPMG LLP  
15 Canada Square  
London  
E14 5GL

## **Registered Office**

Foresters House  
2 Cromwell Avenue  
Bromley  
BR2 9BF

Telephone 020 8628 3400  
Fax 020 8628 3500  
Website [www.foresters.com](http://www.foresters.com)

# **Forester Investments Limited**

## **Strategic Report**

The Directors present their Strategic Report for Forester Investments Limited ('FIL', 'the Company') for the year ended 31 December 2019.

### **Principal activity**

The Company acts as a holding company for the investment management business of Forester Fund Management Limited ('FFML'). FFML has not traded since 1 January 2017, in 2018 FFML was de-authorised with the Financial Conduct Authority.

During the year, a capital reduction and distribution of dividend in specie was declared by the Board by way of special resolution. The intention of the capital reduction and dividend was to transfer the majority of assets held by the Company to its parent company, Forester Life Limited ('FLL'). As a result, the Company now has share capital of £1 and net assets of £1.

### **Results and dividend**

The Company made a loss for the year after tax of £116,114 (2018: loss £86,031). A dividend in specie of £18,861,890 was distributed in the year (2018: £nil).

### **Reporting on matters in section 172(1) of the Companies Act**

The Company is not considered large and therefore is not making a section 172(1) statement.

### **Risks and going concern**

Having considered the position of the Company at the date of the Statement of Financial position and its results, its risk profile and the fact that the Company is to become dormant within 12 months of these Financial Statements, the Board of Directors do not consider that the Company is a going concern. Please refer to section 1.1 (c) in the notes to the Financial Statements, which explains the basis of preparation.

**Approved by the Board on 31 March 2020 and signed on 7 April 2020 on its behalf**



**E T Allison**  
**Director**

Foresters House  
2 Cromwell Avenue  
Bromley  
BR2 9BF

## **Forester Investments Limited**

### **Directors' report**

The Directors present their report and the audited Financial Statements for the year ended 31 December 2019.

#### **Parent company**

The Company is a wholly owned subsidiary of FLL which is a company registered in England and Wales. FLL is a wholly owned indirect subsidiary of The Independent Order of Foresters ("Foresters"), a fraternal benefit society, incorporated in Canada with limited liability.

#### **Directors**

The Directors who held office during the year are listed on page 2 of these Financial Statements.

None of the Directors had any disclosable interest in the ordinary shares of the Company.

According to the Register of Directors' interests no rights to subscribe for shares in the Company were granted to any of the Directors or their immediate families, or exercised by them, during the year.

#### **Directors' indemnities**

The Directors have the benefit of a qualifying third-party indemnity provision (as defined in section 234 of the Companies Act 2006). Foresters also maintain Directors' and Officers' liability insurance in respect of its subsidiaries and their Directors.

#### **Statement of disclosure of information to auditors**

Each person who is a Director at the date of this report confirms that:

- 1) so far as each of them is aware, there is no information relevant to the audit of the Company's Financial Statements for the year ending 31 December 2019 of which the auditors are unaware; and
- 2) each Director has taken all the steps that ought to have been taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

**Approved by the Board on 31 March 2020 and signed on 7 April 2020 on its behalf**



**E T Allison**  
**Director**

Foresters House  
2 Cromwell Avenue  
Bromley  
BR2 9BF

## **Forester Investments Limited**

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS**

The Directors are responsible for preparing the Strategic Report, the Directors' Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare group and parent company Financial Statements for each financial year. Under that law they have elected to prepare both the group and the parent company Financial Statements in accordance with International Financial Reporting Standards ('IFRSs') as adopted by the European Union ('EU') and applicable law.

Under company law the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of their profit or loss for that period. In preparing the Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant and reliable;
- state whether they have been prepared in accordance with IFRSs as adopted by the EU;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the group or the parent company or to cease operations or have no realistic alternative but to do so. The Directors do not believe that it is appropriate to prepare these Financial Statements on a going concern basis. Please refer to the section 1.1 (c) in the notes to the Financial Statements, which explains the basis of preparation.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its Financial Statements comply with the Companies Act 2006. They are responsible 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, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.

## **INDEPENDENT AUDITOR'S REPORT TO THE SOLE MEMBER OF FORESTER INVESTMENTS LIMITED**

### **Opinion**

We have audited the financial statements of Foresters Investments Limited ("FIL") for the year ended 31 December 2019 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the Statement of Cash Flows and related notes, including the significant accounting policies in note 1.

In our opinion:

- the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2019 and of the company's loss for the year then ended;
- the financial statements have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU); and
- the financial statements 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

### **Emphasis of Matter - Non-going concern basis of preparation**

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements.

We draw attention to the disclosure made in note 1.1(c) to the financial statements which explains that the financial statements have not been prepared on the going concern basis for the reason set out in that note. Our opinion is not modified in respect of this matter.

### **Strategic report and directors' report**

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

### **Matters on which we are required to report by exception**

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or

- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

### **Directors' responsibilities**

As explained more fully in their statement set out on page 5, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; 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; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.


### **Auditor's responsibilities**

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

### **The purpose of our audit work and to whom we owe our responsibilities**

This report is made solely to the company'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 company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



**Ben Priestley (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
*Chartered Accountants*  
15 Canada Square  
Canary Wharf  
London,  
E14 5GL  
7 April 2020

## Forester Investments Limited

### Statement of Comprehensive Income for the year ended 31 December 2019

	Notes	2019 £	2018 £
<b>Revenue</b>			
Investment Income		2	2
Dividend received		18,860,125	-
Impairment of investment in subsidiary	4	(18,976,241)	(86,033)
(Loss) before taxation		<u>(116,114)</u>	<u>(86,031)</u>
Taxation	3	-	-
<b>Total comprehensive loss</b>		<u><u>(116,114)</u></u>	<u><u>(86,031)</u></u>

The notes on pages 12 to 15 form an integral part of these Financial Statements.

## Forester Investments Limited

### Statement of Financial Position as at 31 December 2019

	Notes	2019 £	2018 £
<b>Assets</b>			
Investment in subsidiary undertaking	4	1	18,976,242
Debtors – amounts due from group companies		-	123
Cash and cash equivalents		-	4,376
<b>Total assets</b>		<u>1</u>	<u>18,980,741</u>
<b>Liabilities</b>			
Claims in course of settlement		-	2,735
Current tax payable		-	1
<b>Total liabilities</b>		<u>-</u>	<u>2,736</u>
<b>Equity</b>			
Called up Share Capital	5	1	51,800,000
Retained Earnings		-	(32,821,995)
<b>Total Equity</b>		<u>1</u>	<u>18,978,005</u>
<b>Total liabilities and equity</b>		<u>1</u>	<u>18,980,741</u>

The notes on pages 12 to 15 form an integral part of these Financial Statements.

Approved by the Board on 31 March 2020 and signed on 7 April 2020 on its behalf



**E T Allison**  
Director

## Forester Investments Limited

### Statement of Changes in Equity for the year ended 31 December 2019

	Share Capital £	Retained Earnings £	Total £
Balance, beginning of year	51,800,000	(32,821,995)	18,978,005
Capital reduction	(51,799,999)	51,799,999	-
Total comprehensive loss for the year	-	(116,114)	(116,114)
Dividend in specie	-	(18,861,890)	(18,861,890)
Balance, end of year	1	-	1

### Statement of Changes in Equity for the year ended 31 December 2018

	Share Capital £	Retained Earnings £	Total £
Balance, beginning of year	51,800,000	(32,735,964)	19,064,036
Loss for the year	-	(86,031)	(86,031)
Total comprehensive loss for the year	-	(86,031)	(86,031)
Balance, end of year	51,800,000	(32,821,995)	18,978,005

The notes on pages 12 to 15 form an integral part of these Financial Statements

## Forester Investments Limited

### Statement of Cash Flows for the year ended 31 December 2019

	2019 £	2018 £
<b>Cash flows from operating activities</b>		
Interest paid	-	-
Movement in debtors and other receivables	(4,378)	-
<b>Net cash flow from operating activities</b>	<u>(4,378)</u>	<u>-</u>
<b>Cash flows from investing activities</b>		
Interest received	2	2
Dividends received	-	-
<b>Net cash from investing activities</b>	<u>2</u>	<u>2</u>
<b>Financing activities</b>		
Dividend paid	-	-
<b>Net cash from financing activities</b>	<u>-</u>	<u>-</u>
<b>Net decrease in cash and cash equivalents</b>	<u>(4,376)</u>	<u>2</u>
Cash and cash equivalents at beginning of year	4,376	4,374
Cash and cash equivalents at end of year	<u>-</u>	<u>4,376</u>

The notes on pages 12 to 15 form an integral part of these Financial Statements

# **Forester Investments Limited**

## **Notes to the Financial Statements**

### **1. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies used in the preparation of these Financial Statements are set out below. These accounting policies have been applied consistently to comparative periods presented in these statements unless otherwise indicated.

The Company is exempt by virtue of s400-402 of the Companies Act 2006 from the requirement to prepare group Financial Statements. These Financial Statements present information about the Company as an individual undertaking and not about its group.

#### **1.1 Basis of Presentation**

##### **a) Statement of Compliance**

These Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") as issued by the International Accounting Standard Board ("IASB") and endorsed by the European Union ("EU").

##### **New standards, interpretations and amendments to published standards that have been adopted by the Company**

None of the new financial reporting standards, applicable for the first time for the annual reporting period commencing 1 January 2019, are applicable to the Company.

The Company's has also carried out an assessment of the impact of the 'Annual improvements 2015-2017 cycle' applicable for year - end December 2019. None of these changes are applicable to the Company.

There are no other standards that are not yet effective and that would be expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

##### **b) Use of estimates and judgements**

The preparation of these Financial Statements requires management to make judgements, estimates and underlying assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised. The use of estimates and assumptions has the most significant effect on the measurement of income taxes and provisions. The use of estimates and assumptions is discussed in more detail in the relevant notes to these Financial Statements.

##### **c) Non going concern**

The Company has ceased to trade, and it is to become dormant within 12 months of these Financial Statements, the Board of Directors do not consider that the Company is a going concern. Therefore, the Financial Statements are prepared on non-going concern basis.

# Forester Investments Limited

## Notes to the Financial Statements (continued)

### 1.2 Investment in subsidiaries

The Company accounts for investments in subsidiaries at cost, subject to annual impairment test. The investment holding was reduced in the year due to the reduction in the net asset value of its subsidiary to £1, following the reduction in share capital to £1.

### 1.3 Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances and bank deposits that have an original maturity of three months or less.

The carrying value of cash and cash equivalents approximates their fair value.

### 1.4 Debtors

Debtors are stated at its fair value.

## 2. ADMINISTRATIVE EXPENSES

The auditor's remuneration of £5,000 (2018: £5,000) was borne by the parent company FLL.

The Directors did not receive any emoluments in respect of the Company during the year (2018: £Nil)

## 3. INCOME TAX EXPENSE

### a) Income tax expense

No cash taxes were paid in 2019 (2018: £Nil).

### b) Reconciliation of effective tax rate

Income tax expense differs from the amount that would be computed by applying the UK statutory tax rates to income before taxes for the following reasons:

	2019 £	2018 £
Loss for the period before taxation	(116,114)	(86,031)
UK credit at 19% (2018: 19%)	(22,062)	(16,346)
Charge in relation to non-taxable transactions	22,062	16,346
<b>Income tax expense/(credit)</b>	-	-

### c) Change of tax rate

The Finance Act 2014 enacted the reduction in the Corporation Tax rate to 19% with effect from April 2017. The Finance Act 2016 enacted a further reduction from April 2020 to 17%.

# Forester Investments Limited

## Notes to the Financial Statements (continued)

### 4. INVESTMENT IN SUBSIDIARY UNDERTAKING

	2019 £	2018 £
Investment in subsidiary undertaking	1	18,976,242
As at 31 December	1	18,976,242

The subsidiary is held at net book value. The investment holding reduced in the year as a result of the reduction in the net asset value of the subsidiary to £1.

The Company's subsidiary, which is registered in England and Wales is as follows:

<i><b>Subsidiary Name</b></i>	<i><b>Class of shares held</b></i>	<i><b>Proportions held</b></i>		<i><b>Principal activity</b></i>
		<i><b>Directly</b></i>	<i><b>Indirectly</b></i>	
Forester Fund Management Ltd	Ordinary	100%		Savings account Provider

The subsidiaries' registered address is 2 Cromwell Avenue, Bromley BR2 9BF, United Kingdom.

### 5. CALLED UP SHARE CAPITAL

	2019 £	2018 £
Authorised and issued	1	51,800,000

The Ordinary shares carry full voting rights and qualify for dividends. There are no restrictions on the repayment of capital other than as imposed by the Companies Act 2006.

On 30 April 2019 the special resolution was passed for the issued share capital of the Company be reduced from £51,800,000 divided into 51,800,000 ordinary shares of £1 each (all of which are fully paid-up) to £1 consisting of one ordinary share of £1 by cancelling 51,799,999 shares of £1 each registered in the name of FLL.

# **Forester Investments Limited**

## **Notes to the Financial Statements (continued)**

### **6. RELATED PARTY TRANSACTIONS**

Forester Investments Ltd (FIL) is a non-trading indirect subsidiary of Forester Holdings (Europe) Ltd (FHE). Related party transactions arise as follows:

- Audit remuneration costs of £5,000 were borne by the parent company FLL (2018: £5,000).
- The Company received a dividend in specie of £18,860,125 from its subsidiary FFML in settlement of inter-company debt with FLL.
- The Company distributed dividend in specie of £18,861,890 to its immediate parent company FLL.

### **7. ULTIMATE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS**

During the year and at the year end, the ultimate parent undertaking and the undertaking which headed the largest group of undertakings for which group Financial Statements are drawn up and of which the Company was a member was The Independent Order of Foresters, a fraternal benefit society, incorporated in Canada with limited liability, registered address 789 Don Mills Road, Don Mills, Ontario, M3C 1T9, Canada.

The Company which headed the smallest group of undertakings for which group Financial Statements are drawn up and of which the Company was a member of Forester Life Limited, a company incorporated in Great Britain.

Both sets of consolidated Financial Statements are available to the public and may be obtained from Foresters House, 2 Cromwell Avenue, Bromley BR2 9BF.