Fairshare Educational Foundation T/A ShareAction

Annual Report and Financial Statements

31 January 2021

Company Limited by Guarantee
Registration Number
05013662 (England and Wales)

Charity Registration Number
1117244

Contents

Reference and administrative details

Board of Trustees and Directors	Paul Dickinson (Chair) Andrew Jonathan Clarke (ended term August 2020) Jane Cooper Rob Ryan (resigned October 2020) Lisa (Rebecca) Warren Olivia Dickson Shipra Gupta (resigned January 2021) Alice Steenland Kevin Chuah (appointed June 2021) Nicholas Gilcher (appointed June 2021)
Chief Executive	Catherine Howarth
Charity name	Fairshare Educational Foundation (Trading as ShareAction)
Registered and principal office	63/66 Hatton Garden Fifth Floor Suite 23 London EC1N 8LE
Company registration number	05013662
Charity registration number	1117244
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Solicitors	Wrigleys 19 Cookridge Street Leeds LS2 3AG
Principal bankers	HSBC 60 Queen Victoria Street London EC4N 4TR

Report of the Chair of the Board Year to 31 January 2021

Despite the shock and tragedy of the coronavirus pandemic, the financial year ending 31 January 2021 was in fact a remarkably positive one for ShareAction and its mission. The pandemic accelerated an already strongly growing public appetite for sustainable and responsible finance, and ShareAction was well placed to make the most of this.

Early in the year, we published a ranking of the world's largest asset management firms, assessing them on their approach to climate change, biodiversity and human rights concerns. The findings were widely reported in the international media. We went on to meet with senior executives at over 50 of the firms assessed to discuss their scores and the tailored recommendations we prepared for each asset manager. This work has driven standards higher in the global asset management sector during the year. It also strengthened our relationships with these huge investment firms in ways that have powered our campaigns to change corporate practice on social and environmental topics.

As a result, we had a strong year for corporate campaigning. The most high profile campaign in 2020 was at Barclays plc, where we filed a shareholder resolution calling on the bank to phase out financing of fossil fuels. Barclays rejected our resolution but, following weeks of negotiations with ourselves and major shareholders, Barclays became the first major bank globally to commit to being a "Net Zero" financial institution by 2050. Despite this positive announcement, we pushed on with our resolution, which went to a vote at the bank's AGM in May 2020 securing 24% support. This maintained pressure on Barclays and other banks to take immediate steps to cease financing new coal developments and to phase out financing of other fossil fuels. Towards the end of the year we decided to bring this same campaign to HSBC plc, where further strong results have been secured in 2021. These campaign wins, not just at HSBC and Barclays, but across the whole European banking sector will have a meaningful impact on global GHG emissions. They also demonstrate the efficacy of ShareAction's theory of change.

The pandemic inevitably raised the profile of public health as a theme of interest to the investment community. Our programme of work on the nutrition profile of food and drinks sold by major supermarket retailers gathered pace during 2020, laying the foundations for significant action and results in 2021.

Operationally, ShareAction proved resilient. Staff moved to work from home with relative ease thanks to a flexible working policy already in place. As an employer, we have worked hard through the whole year to support staff actively in what have been highly challenging circumstances for many of them.

The income of the charity grew during the year as did the size of our staff team. We welcomed a number of new senior leaders to ShareAction during 2020 who have strengthened our ability to deliver increasingly complex and high profile projects.

Both trustees and management team continue to pay close attention to the risks as well as the opportunities faced by the charity in delivering our ambitious mission. The board now has a dedicated Finance, Audit and Risk Committee, a Governance and Nominations Committee, and a People and Remuneration Committee. The work of these committees has greatly strengthened our governance during 2020.

Overall, as I look back at the last year and ahead at ShareAction's exciting plans, I am both proud of our achievements and positive about the organisation's ability to sustain, indeed grow, its impact.

We are grateful, as ever, to the many foundations, grant givers and individual donors supporting our work and thereby backing our vision of a financial industry that delivers greater public benefit.

The work of ShareAction is more important than ever, as we stumble towards a terrible test of the social and ecological boundaries that define the security we have come to expect from society. Writing about a comparable moment of supreme importance, the words of Winston Churchill seem apt:

"The odds were great, our margins small; the stakes infinite."

I wish the ShareAction team as well as many networks of supporters and collaborators all success in using our growing strength to meet the huge challenges ahead of us, in these next few decisive years.

Paul Dickinson

Chair

The Trustees (who are also directors of the charitable company for the purposes of the Companies Act) present their annual report together with audited financial statements of Fairshare Educational Foundation (trading as ShareAction) (the charitable company) for the year ended 31 January 2021.

The financial statements have been prepared in accordance with the accounting policies set out on pages 26 to 29 therein and comply with the charitable company's governing document, applicable laws and 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).

Objectives and activities

Activities and specific objectives

ShareAction's charitable objects can be summarised as: "the promotion of ethical and responsible investment for the public benefit in order to advance: the relief of poverty, protection of the environment, promotion of human rights, sustainable development, and compliance with the law and ethical standards of conduct". The following ancillary charitable objectives complement this core object:

- ♦ to advance the education of the public in the principles and effects of ethical and responsible investment (RI); and
- ♦ to undertake and promote research relating to ethical and responsible investment, making the results publicly available.

The company has been set up as a non-profit making charitable company. In designing their policies to meet their objectives the trustees have paid due regard to the Charity Commission's guidance on public benefit.

Our theory of change captures our work under three focus areas – investor strategies, corporate strategies and movement-building strategies.

Investor Strategies

With our investor-focused work, we aim to **educate and influence investors and policymakers**, through:

- ♦ Surveys and published rankings that make transparent the RI performance of institutional investors and define higher standards;
- ♦ Tailored engagement with institutional investors to drive up their RI performance;
- ♦ Advocacy to policy makers and regulators in support of RI, investor transparency and investor accountability.

Investor Strategies (continued)
In 2020/21 we delivered the following:

UK Policy

Alongside our on-going work with policymakers and reactive responses to consultations and proposals, a key focus of our work during the year was the UK's Pension Schemes Bill which progressed through Parliament in 2020 and received Royal Ascent in February 2021. We worked with Peers and MPs to bring ESG into this Bill, with a strong focus on climate change. We pushed the Department for Work and Pensions to include more ambitious provisions on climate risk reporting, in line with the Taskforce on Climate-related Financial Disclosures (TCFD) requirements. Our proposed amendment around diversity on pension scheme boards was not adopted, but did result in the Government reaffirming a commitment to a regulatory taskforce on diversity, something that had been at risk of delay.

We launched ShareAction's model "Responsible Investment Bill", a piece of work that has been two years in the making. This sets out a bold vision for a stronger, more sustainable role for our financial system. The RI Bill was launched at an online event with an impressive line-up of speakers including a Nobel prize-winner, industry leaders and parliamentarians, and was extensively covered in the UK pensions and investment press.

As part of ShareAction's role in HM Treasury's Asset Management Taskforce, Catherine Howarth was invited to chair the Asset Managers' Stakeholder Group on Stewardship. The output of this was a substantial report making recommendations to improve standards of stewardship in the UK which was launched on 24 November. Two key recommendations by the Stakeholder Group have been accepted by the Government.

We helped establish a new All-Party Parliamentary Group (APPG) on Sustainable Finance which ShareAction is co-managing with UK100. The first meeting of this group had 160 attendees. We also chaired a roundtable with BEIS minister, Kwasi Kwarteng (also attended by two other BEIS ministers) about TCFD reporting and the need to make this mandatory. The Government has since published a Roadmap to mandatory TCFD reporting and we are feeding into the proposals. We also produced a series of policy briefings about the run-up to COP26 with recommendations for action to build a more sustainable finance system.

EU Policy

During the year we had changes within our Brussels team which had some impact on our capacity over the course of the year. However, we continued to feed into and influence EU policy across a full agenda.

We called for a strong regulatory framework that encourages effective stewardship in our response and engagement around the consultation on the European Commission's Renewed Sustainable Finance Strategy. Our policy recommendations on what sustainable finance in Europe should look like were presented in conversations with the cabinet of Commissioner McGuinness and Vice-President Dombrovskis.

Our joint letter to the European Commission contributed successfully to oppose lobbying attempts by powerful financial intermediaries to postpone the implementation of the

Shareholder Rights Directive II in the context of the pandemic.

We submitted our response to the consultation on investor ESG disclosure standards. We publicly spoke out about the importance of not watering down the level of ambition under industry pressure, through various op-ed articles.

We saw some of our recommendations reflected in the final report on the standards. Additional suggestions to improve the indicators were shared with policymakers which fed into the informal discussions between the Commission and the Parliament. In addition, we raised public awareness for the publication of the standards through media coverage in, amongst others, premium financial press such as the Financial Times and the Wall Street Journal.

We coordinated with the Alliance for Corporate Transparency to push for a review of the Non-Financial Reporting Directive (NFRD). We interacted with a number of Members of European Parliament focused on this Directive, which contributed to a strong parliamentary position on the NFRD review, in line with various Alliance recommendations. We have participated in, and expressed our positions, in a number of closed-door seminars and conferences attended by NGO and industry stakeholders as well as policymakers from different institutions.

As part of our work with the Alliance, we also contributed to the joint response to the European Financial Reporting Advisory Group (EFRAG) report on the development of EU sustainability reporting standards.

Investor Research and Engagement

We published the following research, and engaged with investors to discuss the findings:

Point of No Returns: A ranking of the world's asset managers approaches to responsible investment (March 2020): This is ShareAction's most ambitious survey ever on the investment sector, an analysis of the responsible investment performance of the world's 75 largest fund managers. This piece of work saw ShareAction evaluate for the first time managers outside Europe. In addition to the initial publication, we also produced three further thematic deep-dive reports using the data from the survey. These reports explored the themes of Human Rights, Climate Change and Biodiversity and allowed us to promote a deeper understanding of these issues among asset managers, while making use of some of the data that we were unable to include in the main survey report.

Following publication we held **engagement meetings with 50 asset managers** across Europe, North America, Asia Pacific and South America to discuss customised recommendations and set expectations for a continuous dialogue.

In December, we published the second edition of the **Voting Matters** report, which involved several ShareAction teams. The findings showed that asset managers are still not effectively using their proxy voting power when it comes to environmental and social issues.

Banking on a Low-Carbon Future II (April 2020): This ranking examined 20 of the largest European banks, based on their responses to climate change. Following the publication we

Investor Strategies (continued)
met with 18 of the 20 banks to discuss our findings and detailed recommendations for improvement for each. During the year we continued to step-up our banking work with the creation of a dedicated Banking Standards team.

Corporate Strategies

Our corporate-focused work **is designed to change companies' behaviour, by:**

- Publishing briefings and analytical reports on companies' performance and companies' exposure to risks in respect of a range of environmental and social topics. These publications are designed to inform and facilitate investor engagement with companies;
- Coordinating collaborative investor dialogue with companies to secure commitments to reduce negative impacts and increase positive impacts;
- Organising more forceful investor activism (e.g. shareholder resolutions) where dialogue proves ineffective at shifting companies onto a sustainable pathway.

In 2019 our campaigns were focused on climate risks, the low carbon transition, and decent work. We also started a food and health work stream.

<2°C alignment of the banking sector

Our **Barclays shareholder resolution** was tabled at the company's AGM, and gained the support of 24% of the shareholders in-spite of Barclays offering their own, weaker, counter-resolution that passed with a large majority. While our resolution failed to pass it had significant media coverage significantly raised the profile and expectations of the role of the banking sector in tackling climate change. We are continuing to monitor Barclays' commitments and actions on climate change.

In January 2021, we co-ordinated the co-filing of our **second banking resolution at HSBC** along with a $2.4tn coalition of investors which requested the company to set and publish short, medium and long-term targets to reduce its exposure to fossil fuel assets in line with the Paris agreement, and that they report on their progress against those targets

Corporate Action on Climate Change

During 2020/21 the main focus of our work was the final year of our Investor Decarbonisation Initiative campaign where we continued to use investor pressure to ask companies to commit to SBTi/EV100/RE100/EP100. Notable wins included GlaxoSmithKline (EV100 & RE100), Siemens (EV100) and Aviva (EV100). AGM questions in 2021 have so far led to follow up meetings with Travis Perkins, Next and Just Eat.

As much as our Investor Decarbonisation Initiative has yielded some good corporate commitments over the last 4 years, we felt a reconfiguration was needed to allow for deeper work on specific sectors and to push investor ambition a little harder. While we are keeping our broader investor coalition in place, we will be focusing particularly on road transport and have set up a separate investor working group on chemicals.

Corporate Strategies (continued)

Workforce Disclosure Initiative (WDI)

During the year the Workforce Disclosure Initiative underwent significant changes as we dealt with a reduction in funding from its sole funder the UK Government's Foreign, Commonwealth and Development Office (formerly the Department for International Development). As well as necessitating changes to the team structure, for the first time we also started charging the WDI's investor signatories a fee for their participation and access to the corporate data generated by the survey which has provided a significant contribution to the running costs of the project.

Despite these challenges, WDI continued to grow the number of companies from which it received submissions to 141 (a 20% increase on the previous year), covering 12 million people employed in companies' direct operations across all 11 economic sectors. We have seen record levels of participation in WDI's investor and company webinars, on topical issues including Covid-19 and modern slavery. The new coalition of fee-paying investors grew during the year to 56 institutions with almost $8 trillion in assets. WDI has also sought to influence the wider corporate reporting universe, including by feeding into SASB's human capital review and responding to the IFRS consultation on sustainability reporting standards.

As mentioned last year, we still aim to secure operational independence for WDI from ShareAction, however, over the course of the year it has become clear that this will take some time to ensure we manage a sustainable exit for WDI.

Corporate Action on Work

During 2020, COVID-19 shone a light on the vulnerability of people with low-paid and insecure work, not least since so much of that work has in fact been critical to managing the crisis. During the year we continued to campaign for companies to pay the Living Wage and expanded our work to include other key issues including insecure work and gender equality. Our Living Wage investor coalition was relaunched as the Good Work investor coalition in July 2020.

42 (up from 35) companies in the FTSE 100 are now accredited Living Wage employers. The investor coalition supporting this work has grown to 36 (up from 32) investors with $2.9 trillion of assets under management. In partnership with the Living Wage Foundation we contributed to "Investing in the Living Wage" a toolkit that explains the specific challenges faced by certain sectors where low pay is prevalent and the range of tools investors can utilise to bolster their positive impact on the Living Wage.

In July, we published an investor briefing "Insecure Work in Insecure Times" that examines the case that the growth of insecure work has been driven, willingly or not, by investor demands for shareholder value and that investors should therefore be considering and engaging with companies on how their workforce policies and practices might be driving greater insecure work.

In September, following the Levitt QC enquiry into Boohoo PLC Leicester supply chain we engaged Boohoo's major shareholders on the business and human rights risks exposed during the high-profile workers right scandal and we continue to work with them on engagement with the company.

Corporate Action on Health

2021 was the second full year of our Healthy Markets campaign, funded by Guy's and St Thomas' Charity and we began to see some real momentum building in the campaign.

We completed three significant research briefings, the first in published in March, "**Healthy Competition: Why the safest bet for investors is healthier retail markets and how to get there**" set out the relative performance of major retailers in the UK in disclosing information about their public commitments in respect of healthy eating. A second briefing "**A Healthy Investment: The importance of prioritising health in the food and drink manufacturing sector**" examined the role food and drink manufacturers have to play in the fight against obesity and why it is vital these companies – and those who invest in them – prioritise health. In September, we published our third research briefing "**Tracking for Health: The Importance of Consistent Reporting on Healthy Food Sales in the Retail Sector"** reviewing best practice and key metrics being used by UK supermarkets to report on health.

We used these findings of these briefings to support our engagement with food manufacturers and retailers via our Healthy Markets investor coalition, which grew to a total of 20 members with over $1tn of AUM. The latter part of the year saw us prepare for the filing of an historic shareholder resolution at Tesco, that called on the company to set and report on a target for growing the proportion of its sales from healthier products. In response to the resolution, filed in February 2021, Tesco committed to increase its UK and Irish sales of healthier food and drink by the equivalent of £3bn a year by 2025 and commit to develop a similar programme in its Central European operations. In light of these commitments, we withdrew the resolution before Tesco's AGM.

We also secured a small amount of funding from the Health Foundation for a scoping study in a new area of work, Public Health. This project, known as Long-Term Investors In Public Health (LIPH) aims to build a multi-dimensional programme of work that mobilises the power of the investment system to support the building of a healthier society and reduce health inequalities.

Movement-building Strategies
Here we work with individual savers and other organisations to **inspire support for RI and amplify our message, through:**

- Public communication campaigns designed to build support for RI;
- Growing and supporting networks of asset owners, civil society groups, and individual investors to enable personal and collective action on RI.

In 2019/20 we delivered the following:

The European Responsible Investment Network (ERIN)

We continued to convene our network or pan-Europe Civil Society organisations and supported two new working groups of civil society organisations, one focused on mandatory human rights due diligence and the other on Paris-aligned portfolios.

Movement-building Strategies (continued)
In November we held our two-day ERIN conference online in light of the Covid-19 pandemic. We had over 440 registrations for the conference and hosted a variety of sessions and workshops across a range of topics from "Exploring Capital Markets Campaigning Skills" to "Racial Inequality and the Financial System".

The Charities Responsible Investment Network (CRIN) and Responsible Investment Network Universities (RINU)

Our CRIN and RINU networks continue to provide highly engaging space for collaboration and education across their members, through both our member-developed annual plans of research and advocacy and activities, and the provision of a lively space for sharing challenges and solutions. We worked on topics as varied as client-directed voting, responsible investment in land holdings, biodiversity loss, and bespoke research and engagement with member asset managers and consultants. Despite challenging conditions for the higher education sector, we still managed to grow our fledgling Universities network (RINU) to 8 members.

We produced a number of reports as part our network's work plans for the year, including:

Rebels with a cause: Asset manager voting on controversial resolutions in 2019: which examines how the leading charity asset managers have responded to controversial resolutions when voting on behalf of their clients.

What's in a definition? Exploring the language of investment, value and impact: which provides the inside story on the history of terms that draw connections between financial value, moral/ethical values, and the effects of investment activity on people and the environment.

Do Androids Dream of Responsible Investment?: which aims to give an overview of some of the key investment risks emerging from the technology sector, and to empower asset owners to engage their asset manager(s) on these risks.

Growth Narratives: An inquiry and provocation by charitable investors which explores perspectives on possible limits to and limitations of growth in economic activity and investment returns.

Work with individual savers

We continue to support individuals interested in the power of the investment system through a journey from education and engagement via our online Pension Power platform and other pages to deeper engagement through our mailing list, followed by opportunities for intensive involvement as 'AGM Activists' or co-filers of company resolutions.

Movement-building Strategies (continued)
This year, we have developed a robust 'user journey' for our mailing list and other supporters, as well as continuing to broaden our educational resources and calls for action beyond our historic focus on pensions.

Filing two resolutions this year required reaching out to and supporting more individuals than ever to secure the necessary 100+ shareholders for each company filing, and we are developing our internal infrastructure to scale this offering for the year to come. We also continue to help our supporters engage with campaigns across the organisation through reactive, emergent engagement and campaigning opportunities, such as writing to their MPs and signing pledges and petitions.

AGM Activism

With the Covid-19 pandemic, 2020 proved an unusual year for our AGM work with the move to closed-door or virtual AGMs meaning that there were variations to the access and the format of AGMs, and we adapted our approach accordingly. Early in the pandemic we also wrote to Alok Sharma, Secretary of State for Business and Climate Change, pressing for the government to insist on virtual AGMs rather than 'behind closed doors' AGMs, although sadly were not able to get any commitments.

As part of our activity over the AGM season, we continued to provide training for people to attend AGMs online and supported activists to create short videos posing their questions that could be sent to the companies and posted on social media. In total we asked 90 questions (down from 101 last year) across a variety of topics, and facilitated a number of other questions to be asked by other NGOs.

In January 2021, we launched a short report on the Future of the AGM, which secured strong press coverage. The report arose from a working group pulled together by ShareAction and co-chaired by Lily Tomson, our Head of Networks, as well as Guy Jubb, based at Edinburgh business school and a former head of governance at Standard Life Investments. The report makes a range of both highly practical and more visionary proposals to make AGMs accessible and inclusive, not only to shareholders but to stakeholders. It was a great example of ShareAction thought-leadership and has already influenced work underway at the FRC on AGMs.

Risk management
The Covid-19 pandemic has meant that we have faced particular uncertainties throughout 2020-21 and managing these was the early focus of attention for our leadership team and Board at the beginning of the year. As a result, we feel that we've navigated these times well, transitioning to 100% remote working with minimal disruption, maintaining our funding base, supporting our teams' wellbeing and continuing to deliver our work and impact at a time when it is dearly needed. We continue to operate primarily on a remote basis and the next big challenge we face is transitioning to our future ways of working as the Government's restrictions are lifted.

During the year we introduced a new standalone financial risk management framework that

Risk management (continued)
formalises our visibility and decision making around our key financial risks of solvency and liquidity. We've also begun to develop an updated organisational risk management framework and expect to roll this out in 2021/22. The intention is that provide an approach to managing risk that encourages more frequent consideration of risk throughout the organisation and increases our focus on the most strategic risks that we face. This will also provide a platform for us to build out our risk management and compliance processes as ShareAction continues to grow.

Covid-19 aside, as the organisation evolves, becomes more international, and takes on larger projects we continue to monitor and update our risk register. We see the following as our key risks:

Risk	Notes and Mitigation
ShareAction takes on work that is not sufficiently resourced or funded resulting in staff burnout and failure to deliver to adequate standards of work	Whilst we continue to be successful in attracting funding for our work, our risk becomes as much about ensuring we are not trying to do too much with the resources we have available as it is about raising funds to maintain financial stability. We have continued to build capacity in our fundraising team and ensure all programme areas are actively involved in fundraising to maintain the flow of funding, but we are also increasingly focusing on improving our planning and resource management. We continue to refine our business planning process so that it has a clearer link to our available resources and when considering opportunities for new activities we have a more formal assessment of their impact on our existing work plans. We will continue to work on our approach to resource planning in 2021.
Staff recruitment, retention and development issues impact profile, delivery, reputation and fundraising ability	Whilst much of the work done in previous years appears to be helping our management of this risk, with a reduction in staff turnover, we still need to do more to manage this risk. The subject of responsible investment is becoming increasingly mainstream and we face more and more competition for talent. In 2021 we are investing in a new dedicated role of Director of People whose responsibility will be to build a comprehensive People Strategy that takes a holistic approach to talent management over the entire employee lifecycle, and builds a clear plan for how ShareAction can attract, retain and develop the best people possible within our relatively limited means.

The Trustees are alert to these risks and the Finance, Audit, Risk and Controls Committee actively monitor them on behalf of the board.

Public benefit

The trustees confirm that they have complied with the duty in Section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission. Our continued success in using the tools of the investment world to promote good corporate citizenship contributes to embedding better social and environmental practice within the UK's largest listed firms. This in turn has a range of real-world effects that deliver public benefit including, for example, lower carbon emissions and higher wages for the lowest earners in the UK economy. These positive outcomes are in line with our charitable objects.

In addition, our considerable influence on the stewardship and responsible investment policies of large pension funds, asset managers and charitable trusts contributes to the embedding of better practice within the UK's investment community. The major investors we influence look after the retirement savings of millions of working people in the UK, including many on modest incomes. Our work, particularly on fiduciary duties, encourages major investment firms and pension schemes to stay focused on the interests and wellbeing of the people whose funds they manage. Encouraging large institutional investors to act as responsible stewards of other people's assets is critically important to achieving a private pension system that delivers for all. We consider this an important element of the public benefit that flows from our activities.

Our training and educational events have helped to equip and support people in the UK who want to use their investments as a leverage point for dialogue with companies. The feedback from our training has shown how empowering people find it to access that kind of knowledge, and to have the opportunity to influence companies with a significant social and environmental footprint.

Financial review

Results for the year

We ended the year showing good year-on-year growth with income of £3,124,862 (2020 - £2,635,915) and an unrestricted surplus of £284,762 (2020 – deficit of £35,303).

The charity received grants and donations totalling £2,786,262 (2020 - £2,507,300). Of the 36 (2020 – 30), organisations making grants and donations 23 (2020 - 20) made restricted grants as shown in note 4 to the accounts, and 13 (2020 - 10) made unrestricted grants as shown in note 1 to the accounts. The charity received £93,165 in donations from individuals (2020 - £121,670). The amount of cash held and cash equivalents had increased at year-end to £2,149,095 (2020 - £1,480,343).

In the current year 12 member organisations contributed fees amounting to £17,750 (2020 – 14 member organisations - £21,500). CRIN income remained stable with 20 CRIN members contributing membership fees of £92,350 (2020 - 21 members contributing fees of £88,200). Additionally we began charging a fee to the signatories of our Workforce Disclosure Initiative to support the programme following a significant reduction in grant funding for the programme, this generated income of £117,815 from 49 signatories.

Financial review (continued)

Reserves policy

It is the policy of the charity to maintain a reserve of unrestricted funds that is at least equivalent to three months budgeted expenditure as approved by the Board and as amended from time to time to take into account, for example, projected material changes in human and other resources, and new or abandoned projects not fully resourced out of restricted income.

The reserve is necessary to provide a buffer against unbudgeted and unexpected expenditure, thereby ensuring that adequate resources are always available to meet fixed and variable operational costs and unfunded projects, and to ensure that restricted funds, which currently provide the majority of the charity's incoming resources, are always safeguarded for the purpose for which they were provided.

Furthermore, as a crucial management tool, regular monitoring of adherence to the policy is undertaken at meetings of the Board and Finance, Audit and Risk Committee so that the Trustees may satisfy themselves as to the on-going financial viability of the charity. The leadership team track reserves as a key metric in their monthly management accounts.

It is the Board's opinion that the current level of reserves is commensurate with the risks identified in its latest risk assessment, but the Board will review this policy at regular intervals, making any amendments necessary to ensure that it is always adequate for the charitable company's purposes.

At 31 January 2021, the charity held unrestricted funds of £1,058,964 (2020 - £774,201) and £nil restricted funds (2020 - £nil). After adjusting for the net book value of tangible fixed assets, and excluding those reserves which have been designated, free reserves stood at £1,055,392 (2020 - £770,770 This level of free reserves is equal to 3.5 months' expenditure based on our average monthly budgeted spend for 2021/22 and is in line with the policy.

Future plans

In 2019 we set four goals for the coming decade to help us meet our vision of 'A financial system that works for our planet and its people' and we drew up a business plan for 2020 designed to advance those goals. Through 2020, we made strong progress towards our goals and all of ShareAction's teams delivered high quality work.

In the autumn of 2020, conscious that the landscape in which we operate is becoming more crowded with actors seeking to influence and promote responsible investment, we undertook a review of both the rapidly changing context we operate in and our distinctive organisational competencies within the capital markets ecosystem. The upshot is a refined organisational strategy for ShareAction that concentrates on activities where we have greatest expertise, and make the greatest impact. Our refined focus is on raising responsible investment standards and our strategy will see us concentrate on a group of strategic priorities to enable progress toward our long-term goals.

Future plans (continued)
Particular areas of focus include:

- Defining and making the case for a more ambitious global standard of responsible investment (RI) that attracts widespread support and can be applied by large fiduciary investors managing other people's money.
- Continuing to publish financial industry rankings that drive up transparency and standards. We are ambitious to be widely recognised as the world's leading authority in benchmarking the RI performance of asset managers, insurers and banks.
- Tracking more rigorously the uptake of our tailored recommendations to financial institutions and working with stakeholders of those institutions to secure their support for change.
- Re-focusing our investor-led corporate campaigns to ensure they drive higher standards amongst the investors involved as well as driving companies to change in ways that benefit people and the environment.
- Broadening the environmental and social themes our campaigns address notably to include action on the biodiversity crisis and on public health.
- Ensuring that as ShareAction continues to grow, our support functions are fit for the future and grow with the rest of the organisation. We are already investing in a dedicated Director of People to support the development and delivery of a new People Strategy, recognising that our staff are our critical asset. Also having left our old office at the beginning of the pandemic we will look to re-evaluate what we need from a future workspace.

Structure, governance and management

Governing document

Fairshare Educational Foundation (trading as ShareAction) is a company limited by guarantee without share capital and, since December 2006, also a registered charity. The company was established under a Memorandum of Association (subsequently amended) which established the objects and powers of the charitable company and is governed under its Articles of Association. Each member's liability is limited to £1.

Recruitment and appointment of Trustees

The directors of the company are also charity trustees for the purposes of charity law. The Trustees are elected annually at the Annual General Meeting or may be co-opted by the Trustees to fill a vacancy or to bring the number of trustees up to the maximum number allowed by the Articles of Association. Any retiring Trustee may be re-appointed provided that his or her period in office does not exceed six consecutive years (or nine years in the case of a Trustee elected to the chair mid-term)

It is the practice of the charity to openly advertise opportunities to join the board of trustees.

Structure, governance and management (continued)

Induction and training of Trustees

Most Trustees already have experience of charitable organisations on appointment but if this is not the case they are provided with best practice and guidance (our membership of NCVO affords the charity access to the relevant resources). Their experience is developed further through their work with ShareAction. The Trustees spend a half day together to review the charity's strategy and progress annually, and also attend a session with the staff of the charity to discuss strategy and plans together. The Chair will undertake a board review from time to time involving each Trustee in making an appraisal of his or her contribution, skills, and areas for development.

Organisation structure

The Trustees are required to hold at least three meetings each year and currently meet four times a year as a Board. The Trustees, assisted by the Chief Executive, are responsible for the governance of the charitable company. Trustees oversee and agree the strategy of the charity.

The Board delegates a number of its powers to three (last year: two) committees of Trustees, the Finance, Audit, Risk and Controls Committee (FARC), the HR and Remuneration Committee and the Governance and Nominations Committee. These committees meet four to six weeks prior to meetings of the Board and report thereto. During the year the HR & Governance Committee was split into the People and Remuneration Committee and the Governance and Nominations Committee.

In order to deliver the strategy, the management team, which comprises the Chief Executive and six Directors, prepares a Business Plan and budget for review by the Trustees ahead of each financial year. Once agreed, this document, which includes a range of key performance indicators, is used to measure and assess progress at the quarterly meetings of the Board.

Statement of Fundraising

The charity is registered with the Fundraising Regulator and reports compliance on an annual basis. The charity employs a professional fundraising team who maintain a high standard of ethical fundraising and whose systems and practices are kept under continual review. It does not use the services of any third-party organisation to help in its fundraising activities. No complaints were received about its fundraising activities during the financial year 2020/21. In the event of a complaint being received, these are handled by a senior member of staff or the Chief Executive.

Trustees

The members of the Board of Trustees who served as Trustees (and directors of the company) during the year were:

Trustees	Appointed/resigned
Andrew Jonathan Clarke	Resigned August 2020
Paul Dickinson	
Jane Cooper	
Rob Ryan	Resigned October 2020
Lisa (Rebecca) Warren	
Olivia Dickson	Appointed January 2020
Shipra Gupta	Resigned January 2021
Alice Steenland	Appointed January 2020

Statement of Trustees' responsibilities

The Trustees (who are also directors of ShareAction for the purposes of company law) are responsible for preparing the Trustees' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the income and expenditure of the charitable company for that period.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the 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);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards 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 that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the Trustees confirms that:

- so far as the Trustee is aware, there is no relevant audit information of which the charity's auditor is unaware; and
- the Trustee has taken all the steps that he/she ought to have taken as a Trustee in order to make himself/herself aware of any relevant audit information and to establish that the charity's auditor is aware of that information.
- This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

The Trustees are responsible for the maintenance and integrity of financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Signed for and on behalf of the Trustees

Paul Dickinson
Approved by the Trustees on: 21 September 2021

Independent auditor's report to the members of Fairshare Educational Foundation

Opinion
We have audited the financial statements of Fairshare Educational Foundation (the 'charitable company') for the year ended 31 January 2021, which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the financial statements. 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 charitable company's affairs as at 31 January 2021 and of 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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report and Financial Statements, 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company 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; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Responsibilities of Trustees (continued)

In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charitable company through discussions with management, and from our commercial knowledge and experience of the sector;
- the identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit;
- We focused on specific laws and regulations which we considered may have a direct material effect on the accounts or the activities of the charity. These included but were not limited to the Charities Act 2011, the Companies Act 2006 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102); and
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management, inspecting legal correspondence and reviewing trustee meeting minutes.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management and those charged with governance as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and

Auditor's responsibilities for the audit of the financial statements (continued)

- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- tested the authorisation of expenditure as part of our substantive testing thereon;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
- used data analytics to identify any significant or unusual transactions and identify the rationale for them.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of trustee meetings;
- enquiring of management and those charged with governance as to actual and potential litigation and claims; and
- reviewing any available correspondence with HMRC and the Charity Commission.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the Trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

Buzzacott LLP

Edward Finch (Senior Statutory Auditor)
For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

22/10/21

Statement of financial activities Year to 31 January 2021

	Notes	Unrestricted funds £	Restricted funds £	**Total 2021 £**	Unrestricted funds £	Restricted funds £	Total 2020 £
Income:							
Donations	1	710,766	—	**710,766**	583,763	—	583,763
Other trading activities	2	272,007	—	**272,007**	115,360	—	115,360
Investment income	3	174	—	**174**	634	—	634
Charitable activities	4	—	2,075,296	**2,075,296**	—	1,923,537	1,923,537
Other income		66,619	—	**66,619**	12,621	—	12,621
Total income		1,049,566	2,075,296	**3,124,862**	712,378	1,923,537	2,635,915
Expenditure:							
Cost of raising funds	5	88,479	—	**88,479**	83,719	—	83,719
Expenditure on charitable activities	5	676,366	2,075,296	**2,751,661**	663,947	1,923,537	2,587,484
Total expenditure		764,845	2,075,296	**2,840,140**	747,666	1,923,537	2,671,203
Net income (expenditure) before gains/losses on investments		284,721	—	**284,721**	(35,288)	—	(35,288)
Net gains (losses) on listed investments		41	—	**41**	(15)	—	(15)
Net income for the year and net movement in funds		284,762	—	**284,762**	(35,303)	—	(35,303)
Reconciliation of funds:							
Total funds brought forward at 1 February 2020		774,201	—	**774,201**	809,504	—	809,504
Total funds carried forward at 31 January 2021		1,058,964	—	**1,058,964**	774,201	—	774,201

All of the operations undertaken by the charity during the current and preceding year are continuing operations.

Balance sheet Year to 31 January 2021

	Notes	**2021 £**	**2021 £**	2020 £	2020 £
Fixed assets					
Investments	8		**3,572**		3,431
			3,572		3,431
Current assets					
Debtors	9	**323,992**		365,443	
Cash at bank and in hand		**2,149,095**		1,480,343	
		2,473,087		1,845,786	
Creditors: amounts falling due within one year	10	**(1,417,695)**		(1,075,016)	
Net current assets			**1,055,392**		770,770
Total net assets			**1,058,964**		774,201
The funds of the charity:					
Restricted funds	11		**—**		—
Unrestricted income funds					
. General fund			**1,058,964**		774,201
			1,058,964		774,201

The financial statements were approved by the Board of Directors on 21 September 2021 and signed on their behalf by:

Print name: Paul Dickinson

Registered Company Number: 05013662

Statement of cash flows Year to 31 January 2021

	Notes	**2021 £**	2020 £
Cash flows from operating activities:			
Net cash (used in) provided by operating activities	A	**668,678**	(90,603)
		668,678	(90,603)
Cash flows from investing activities:			
Investment income		**174**	634
Purchase of investments		**(258)**	(564)
Net cash generated by (used in) investing activities		**(84)**	70
Change in cash and cash equivalents in the year		**668,593**	(90,653)
Cash and cash equivalents at 1 February 2020	B	**1,480,780**	1,571,313
Cash and cash equivalents at 31 January 2021	B	**2,149,373**	1,480,780

Notes to the statement of cash flows for the year to 31 January 2021

A Reconciliation of net movement in funds to net cash provided by operating activities

	2021 £	2020 £
Net movement in funds (as per the statement of financial activities)	**284,762**	(35,303)
Adjustments for:		
(Gains) losses on investments	**(41)**	15
Investment income	**(174)**	(634)
(Increase) decrease in debtors	**41,451**	(254,634)
Increase in creditors	**342,679**	199,953
Net cash (used in) provided by operating activities	**668,678**	(90,603)

B Analysis of cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	**2,149,095**	1,480,343
Cash held by investment managers	**279**	437
Total cash and cash equivalents	**2,149,374**	1,480,780

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the accounts are laid out below.

Basis of accounting

The financial statements have been prepared under the historical cost convention with items initially recognised at cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The accounts 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 United Kingdom and Republic of Ireland (FRS 102) (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The charity constitutes a public benefit entity as defined by FRS 102.

The accounts are presented in sterling and are rounded to the nearest pound.

Critical accounting estimates and areas of judgement

Preparation of the accounts requires the trustees and management to make significant judgements and estimates.

The items in the accounts where these judgements and estimates have been made include:

- the deferral of grant income received to future periods.

In addition to the above, the full impact of the ongoing global coronavirus pandemic is still unknown. It is therefore not currently possible to evaluate all the potential implications for the charity’s activities, beneficiaries, funders, suppliers and the wider economy.

As set out in the going concern accounting policy, the trustees have considered the impact of the pandemic on the charity and have concluded that although there may be some negative consequences, it is appropriate for the charity to continue to prepare its accounts on the going concern basis.

Assessment of going concern

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these accounts. The trustees have made this assessment with respect to a period of one year from the date of approval of these accounts.

Assessment of going concern (continued)
The trustees are aware that there is uncertainty around the income of the charity but are comfortable that they have the necessary visibility in order to manage this uncertainty. In the assessment of the charity's ability to continue as a going concern, the trustees have considered the current prudent financial forecasts, the security of existing grant income, the history of ShareAction's success in raising new income and the ability of the organisation to manage its costs in line with the available income. Further, to ensure the organisation is in the best possible position to manage the principal financial risks around liquidity and solvency, a new financial risk management framework was implemented in July 2020.

The trustees of the charity assessed the events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern and have concluded that the necessary measures (most importantly, monitoring of cash, reserves and forecasts and timely cost management) are in place to mitigate these concerns. The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due. The Audit and Risk Committee ensures that these issues are given the necessary scrutiny.

As a result of the trustees' assessment, the financial statements have been prepared on a going concern basis. In making this decision, the trustees have taken into consideration the risks and uncertainties arising from the Coronavirus pandemic.

Income recognition
Income including grants received is recognised in the period in which the charity becomes legally entitled to the income, it is probable the income will be received, and that income can be measured with reasonable accuracy. Income is deferred if the donor specifies conditions that the income is to be expended in a future period or where grants are awarded on an annual basis and the grant year is not coterminous with the charity's financial year.

Income from membership subscriptions is accounted for when receivable. Fees relating to the subsequent period are carried forward as deferred income. Subscriptions are non-refundable.

Expenditure recognition and the allocation of support and governance costs
Expenditure is recognised on an accruals basis in the period in which it is incurred. It includes related VAT, which cannot be fully recovered and is reported as part of the expenditure to which it relates:

- Costs of raising funds comprise the costs associated with attracting voluntary income together with an apportionment of overhead and support costs.

- Charitable activities expenditure comprises those costs incurred by the charity in the delivery of its activities and services. It includes both costs that can be allocated directly to such activities and an apportionment of those costs of an indirect nature necessary to support them.

Expenditure incurred on activities falling directly within one cost category is attributed to that category. Expenditure which cannot be directly attributed, including governance costs, is apportioned on a reasonable, justifiable and consistent basis to the cost categories involved, e.g. apportioning management costs by staff time.

Governance costs comprise the costs involving the public accountability of the charity (including audit costs) and costs in respect to its compliance with regulation and good practice.

Tangible fixed assets
Additions to computer equipment, furniture, fixtures and fittings for items individually costing over £1,000 are capitalised where the useful economic life is expected to exceed 12 months. Tangible fixed assets are depreciated over their useful lives.

Depreciation is provided at the following rate:

- Computer equipment – 25% per annum (on cost)

Pensions
The charity contributes to pension arrangements on behalf of its employees. Contributions payable for the year are charged to the income and expenditure account.

Fixed asset investments
Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Realised and unrealised gains (or losses) are credited (or debited) to the statement of financial activities in the year in which they arise.

Debtors
Debtors are recognised at the settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid.

Cash at bank and in hand
Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

Creditors and provisions
Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt.

Fund accounting

General funds are unrestricted funds and represent the net surplus made by the charity during its operations. They are available to be used for the objects of the charity at the discretion of the Trustees.

Restricted funds can be used only for a particular purpose within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for a particular restricted purpose.

Operating leases

Operating lease rentals are charged to the income and expenditure account as incurred.

Taxation

Provision for corporation tax is not necessary, as the company is a registered charity and undertakes only charitable activities. No deferred tax provision is required.

Tax recovered from voluntary income received under Gift Aid is recognised when the related income is receivable and is allocated to the income category to which the income relates.

Foreign currency

Transactions in foreign currencies are translated into sterling at the exchange rate in operation on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the closing rates at the year-end date. All revaluation differences and foreign exchange differences are taken to the statement of financial activities.

1 Donations

	Unrestricted funds £	Restricted funds £	**Total 2021 £**
Grants and donations received			
Grants			
. The Joseph Rowntree Charitable Trust	40,000	—	40,000
. Esmée Fairbairn Foundation	185,000	—	185,000
. Generation Foundation	75,000	—	75,000
. The Tudor Trust	17,500	—	17,500
. Friends Provident Foundation	45,000	—	45,000
. The John Ellerman Foundation	29,167	—	29,167
. Oak Foundation	14,438	—	14,438
. Treebeard Trust	25,000	—	25,000
. Paul Hamlyn Foundation	50,000	—	50,000
. Lankelly Chase Foundation	50,000	—	50,000
. James T Howat Charitable Trust	1,000	—	1,000
. Frederick Mulder Foundation	0	—	0
. Wallace Global Fund	50,496	—	50,496
	582,601	—	**582,601**
Donations			
. Prism – The Gift Fund	35,000	—	**35,000**
. Donations from individuals	93,165	—	**93,165**
Total 2020	710,766	—	**710,766**

	Unrestricted funds £	*Restricted funds £*	*Total 2020 £*
Grants and donations received			
Grants			
. The Joseph Rowntree Charitable Trust	*25,000*	—	*25,000*
. Esmée Fairbairn Foundation	*150,000*	—	*150,000*
. Generation Foundation	*50,000*	—	*25,000*
. The Tudor Trust	*35,000*	—	*35,000*
. Friends Provident Foundation	*90,000*	—	*90,000*
. The John Ellerman Foundation	*39,167*	—	*39,167*
. Paul Hamlyn Foundation	*36,667*	—	*36,667*
. Frederick Mulder Foundation	*6,667*	—	*6,667*
. Wallace Global Fund	*4,591*	—	*4,591*
	437,092	—	*437,092*
Donations			
. Prism – The Gift Fund	*25,000*	—	*25,000*
. Donations from individuals	*121,670*	—	*121,670*
Total 2020	*583,763*	—	*583,763*

2 Other trading activities

	Unrestricted	
	Total 2021 £	Total 2020 £
Fulll members	**17,750**	21,500
CRIN membership fees	**92,350**	88,202
RINU membership fees	**44,092**	5,658
WDI signatories fee income	**117,815**	—
Total	**272,007**	115,360

3 Investment income

	Unrestricted	
	Total 2021 £	Total 2020 £
Bank interest receivable	**85**	447
Dividends receivable	**89**	187
Total	**174**	634

4 Income from charitable activities

	Restricted	
	Total 2021 £	Total 2020 £
Finance Dialogue / European Climate Foundation	**386,912**	394,965
Guy's and St. Thomas' Charity	**357,732**	276,150
IKEA / New Venture Fund	**316,780**	175,705
Department for International Development	**313,534**	506,700
Sunrise Project	**199,480**	—
KR Foundation	**148,217**	245,659
We Mean Business/ New Venture Fund	**114,913**	119,848
Friends Provident Foundation	**51,663**	—
Barrow Cadbury Trust	**35,200**	35,200
Trust for London	**33,333**	—
Lankelly Chase	**27,220**	—
The Climate Change Collaboration (Ashden Trust; JJ Charitable Trust; Mark Leonard Trust; Tedworth Charitable Trust)	**23,833**	71,500
Marmot Trust	**20,000**	1,668
Arcus Foundation	**6,627**	12,500
Bianca and James Pitt	**6,000**	
Franciscan Missionaries of the Divine Motherhood	**5,000**	5,000
Jesuits in Britain	**5,000**	5,000
Polden Puckham Charitable Foundation	**5,000**	—
Synchronicity Earth	**5,000**	—
JMG Foundation	**4,100**	5,000
Transforma	**4,000**	17,850
Joseph Rowntree Foundation	**3,750**	—
Handmaids of the Sacred Heart of Jesus	**2,000**	2,000
Hewlett Foundation	—	18,500
City Bridge Trust	—	10,125
WWF – UK	—	10,000
Unison	—	9,167
Stephen Davis	—	1,000
Total 2021	**2,075,296**	1,923,537

5 Expenditure

	Raising funds £	Campaigning and education £	**Total 2021 £**
Direct costs			
Staff costs (note 6)	—	1,594,853	**1,594,853**
Research & communication	—	262,187	**262,187**
	—	1,857,040	**1,857,040**
Support costs			
Staff costs (note 6)	63,899	646,089	**709,988**
Other staff expenses	7,317	73,979	**81,295**
Legal & professional	916	9,259	**10,175**
Depreciation	—	—	**—**
Operating lease rentals (note 14)	5,820	58,846	**64,666**
General office costs	3,481	35,194	**38,674**
Website & ICT expenses	5,296	53,549	**58,845**
Travel and subsistence	167	1,686	**1,852**
Bank charges	404	4,082	**4,485**
Auditors' remuneration			
. Audit fee (including VAT) – current year	1,181	7,819	**9,000**
Other expenses	—	4,120	**4,120**
	88,479	894,622	**983,101**
Total	88,479	2,751,661	**2,840,140**

	Raising funds £	*Campaigning and education £*	*Total 2020 £*
Direct costs			
Staff costs (note 6)	—	1,438,080	1,438,080
Research & communication	—	302,849	302,849
	—	1,740,929	1,740,929
Support costs			
Staff costs (note 6)	50,567	511,288	**561,855**
Other staff expenses	6,415	64,858	**71,273**
Legal & professional	1,217	12,302	**13,519**
Depreciation	—	—	—
Operating lease rentals (note 14)	11,748	118,783	**130,530**
General office costs	5,976	60,426	**66,402**
Website & ICT expenses	5,613	56,751	**62,364**
Travel and subsistence	555	5,613	**6,168**
Bank charges	335	3,391	**3,727**
Auditors' remuneration			
. Audit fee (including VAT) – current year	625	6,325	**6,950**
Other expenses	669	6,818	**7,487**
	83,719	846,555	**930,274**
Total	83,719	2,587,484	*2,671,203*

6 Particulars of employees

The average number of employees analysed by function was:

	2021 **No.**	2020 No.
Campaigning and education	**37**	33
Management and administration	**8**	10
Fundraising and communications	**4**	5
	49	48

	2021 **£**	2020 £
Wages and salaries	**1,967,086**	1,704,832
Social Security costs	**183,160**	169,963
Pension costs	**154,595**	128,628
	2,304,841	2,003,423

One employee earned between £80,001 and £90,000 per annum (2019 one between £80,001 and £90,000) during the year. One employee earned between £70,001 and £80,000 (2019: no employees) during the year. Three employees earned between £60,001 and £70,000 (2019: no employees) during the year.

No trustees received any remuneration for their services during the year (2020 – none). No trustees during the year received reimbursement for travelling expenses (2020 – none).

The key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis comprise the trustees and those members of staff who attend board meetings. The total cost of employment of the key management personnel for the year was £532,103 (2020 - £400,603).

7 Taxation

The company has been set up as a non-profit making charitable foundation and in December 2006 was registered as a charity and, therefore, is not liable to corporation tax on income or gains derived from its charitable activities, as they fall within the various exemptions available to registered charities.

8 Fixed asset investments

	2021 £	2020 £
Listed investments		
Market value at 1 February	**2,994**	2,445
Additions at cost	**259**	564
Net unrealised losses / gains	**41**	(15)
Market value at 31 January	**3,293**	2,994
Cash held by investment managers for re-investment	**279**	437
	3,572	3,431
Cost of listed investments at 31 January	**4,784**	4,526

All listed investments were dealt in on a recognised stock exchange.

9 Debtors

	2021 £	2020 £
Trade debtors	**311,103**	295,233
Other debtors	**7,350**	41,658
Prepayments	**5,539**	28,552
	323,992	365,443

10 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	**28,582**	9,821
Other taxes and social security costs	**48,256**	58,386
Accruals	**90,877**	48,983
Deferred income	**1,215,436**	934,933
Other creditors	**34,544**	22,892
	1,417,695	1,075,016

10 Creditors: amounts falling due within one year (continued)

Deferred income comprises deferred membership income (general, CRIN, RINU and WIDU) and deferred grant income:

	2021 £	2020 £
General membership income	**8,083**	9,833
CRIN membership income	**38,981**	39,431
RINU membership income	**25,350**	21,041
WDI membership income	**62,310**	—
Grant income	**1,080,712**	864,628
	1,215,436	934,933

11 Restricted funds

	Balance at 1 February 2020 £	Income and gains £	Expenditure £	**Balance at 31 January 2021 £**
Fransciscan Missionaries of the Divine Motherhood*	—	5,000	(5,000)	—
Handmaids of the Sacred Heart of Jesus*	—	2,000	(2,000)	—
Jesuits in Britain*	—	5,000	(5,000)	—
Arcus Foundation	—	6,627	(6,627)	—
Bianca and James Pitt	—	6,000	(6,000)	—
Barrow Cadbury Trust	—	35,200	(35,200)	—
Transforma (origin of funding BEIS)	—	4,000	(4,000)	—
Climate Change Collaboration (Ashden, JJ & Mark Leonard)	—	23,833	(23,833)	—
Department for International Development	—	313,534	(313,534)	—
European Climate Foundation (ECF)	—	344,694	(344,694)	—
Esmee Fairbairn Foundation	—	10,000	(10,000)	—
Finance Dialogue (via ECF)	—	32,218	(32,218)	—
Friends Provident Foundation	—	51,663	(51,663)	—
Guy's & St Thomas' Charity	—	357,732	(357,732)	—
IKEA Foundation	—	316,780	(316,780)	—
JMG Foundation	—	4,100	(4,100)	—
Joseph Rowntree Reform Trust	—	3,750	(3,750)	—
KR Foundation	—	148,219	(148,219)	—
Lankelly Chase	—	27,220	(27,220)	—
Marmot Trust	—	20,000	(20,000)	—
Polden Puckham Charitable Foundation	—	5,000	(5,000)	—
Synchronicity Earth	—	5,000	(5,000)	—
Sunrise Project	—	199,480	(199,480)	—
Trust for London	—	33,333	(33,333)	—
We Mean Business/ New Venture Fund	—	114,913	(114,913)	—
Total restricted funds	—	2,075,296	(2,075,296)	**—**

11 Restricted funds (continued)

	Balance at 1 February 2019 £	*Income and gains £*	*Expenditure £*	*Balance at 31 January 2020 £*
Department for International Development	—	*506,700*	*(506,700)*	—
Finance Dialogue / European Climate Foundation	—	*394,965*	*(394,965)*	—
Guy's and St. Thomas' Charity	—	*276,150*	*(276,150)*	—
KR Foundation	—	*245,659*	*(245,659)*	—
IKEA / New Venture Fund	—	*175,705*	*(175,705)*	—
We Mean Business/ New Venture Fund	—	*119,848*	*(119,848)*	—
The Climate Change Collaboration (Ashden Trust; JJ Charitable Trust; Mark Leonard Trust; Tedworth Charitable Trust)	—	*71,500*	*(71,500)*	—
Barrow Cadbury Trust	—	*35,200*	*(35,200)*	—
Hewlett Foundation	—	*18,500*	*(18,500)*	—
Transforma	—	*17,850*	*(17,850)*	—
Arcus Foundation	—	*12,500*	*(12,500)*	—
City Bridge Trust	—	*10,125*	*(10,125)*	—
WWF – UK	—	*10,000*	*(10,000)*	—
Unison	—	*9,167*	*(9,167)*	—
JMG Foundation	—	*5,000*	*(5,000)*	—
Franciscan Missionaries of the Divine Motherhood	—	*5,000*	*(5,000)*	—
Jesuits in Britain	—	*5,000*	*(5,000)*	—
*Handmaids of the Sacred Heart of Jesus**	—	*2,000*	*(2,000)*	—
Marmot Trust	—	*1,668*	*(1,668)*	—
Stephen Davis	—	*1,000*	*(1,000)*	—
Total restricted funds	—	*1,923,537*	*(1,923,537)*	—

12 Analysis of net assets between funds

Total funds are represented by:

Year to 31 January 2021	Unrestricted funds £	Restricted funds £	**Total funds £**
Investments	3,572	—	**3,572**
Current assets	2,473,087	—	**2,473,087**
Creditors	(1,417,695)	—	**(1,417,695)**
	1,058,964	—	**1,058,964**

12 Analysis of net assets between funds (continued)

Year to 31 January 2020	*Unrestricted funds £*	*Restricted funds £*	*Total funds £*
Investments	*3,431*	—	*3,431*
Current assets	*1,845,786*	—	*1,845,786*
Creditors	*(1,075,016)*	—	*(1,075,016)*
	774,201	—	*774,201*

13 Financial commitments

Land and building

At 31 January 2021, the charity had the following future minimum commitments in respect to non-cancellable operating leases:

	Land and buildings	
	2021 £	2020 £
Payable within one year	—	**32,633**

Equipment

At 31 January 2021, the charity had the following future minimum commitments in respect to non-cancellable operating leases:

	Equipment	
	2021 £	2020 £
Payable within one year	—	731
Payable between one to two years	—	—
Payable between two to five years	—	—

14 Pensions

The charity contributes to pension arrangements on behalf of its employees. Within each employee's contract of employment there is a clause whereby the charity will, if requested, contribute to the individual personal pension arrangements of the employee at the rate of 8% of gross salary. The pension cost for the year amounted to the figure shown in note 6.

15 Legal status of the company

The charity is a company limited by guarantee with no share capital and a registered charity. In the event of the company being wound up, the liability of each member is limited to £1. At the year-end there were ten full members and one associate member.

16 Related party transactions

The aggregate amount of unrestricted donations received from related parties was £45,000 (2020: £90,000). This comprises a donation of £45,000 (2020: £90,000 from Friends Provident Foundation). Friends Provident Foundation also gave a restricted donation of £51,663 (2020: £nil), and paid £4,500 (2020: £4,625) for CRIN membership in the year. One of the charity's trustees, Paul Dickinson, is also a trustee of Friends Provident Foundation.

£2,000 (2020: £2,000) was received from Amnesty International UK Charitable Trust for ShareAction membership. One of the charity's trustees, Lisa (Rebecca) Warren, was also a trustee of Amnesty International UK Charitable Trust during the year.