

**Fairshare Educational  
Foundation T/A ShareAction**

**Annual Report and Financial  
Statements**

31 January 2019

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

Charity Registration Number  
1117244

## Contents

### Reports

Reference and administrative details	1
Report of the Chair of the Board	2
Trustees' report	4
Independent auditor's report	18

### Financial statements

Statement of financial activities	21
Balance sheet	22
Statement of cash flows	23
Principal accounting policies	24
Notes to the financial statements	28

## Reference and administrative details

<b>Board of Trustees and Directors</b>	Paul Dickinson (Chair) Emma Howard Boyd Andrew Jonathan Clarke Stephen Davis (ended term April 2019) Mick McAteer (ended term April 2019) Jane Cooper Rob Ryan Lisa (Rebecca) Warren
<b>Chief Executive</b>	Catherine Howarth
<b>Charity name</b>	Fairshare Educational Foundation (Trading as ShareAction)
<b>Registered and principal office</b>	Ground Floor 16 Crucifix Lane London SE1 3JW
<b>Company registration number</b>	05013662
<b>Charity registration number</b>	1117244
<b>Auditor</b>	Buzzacott LLP 130 Wood Street London EC2V 6DL
<b>Solicitors</b>	Wrigleys 19 Cookridge Street Leeds LS2 3AG
<b>Principal bankers</b>	HSBC 60 Queen Victoria Street London EC4N 4TR

**Report of the Chair of the Board**

This has been another great year for ShareAction. We have grown to take on a number of exciting new campaigns, whilst continuing to deliver across a range of existing programs.

In the broader economic and political environment, climate change has finally come to dominate public affairs this year, with the school strikes and Extinction Rebellion helping achieve breakthroughs like the declaration of a climate emergency by Parliament, and Prime Minister May's ground breaking commitment for the UK to achieve net zero emissions by 2050. ShareAction continued its ambitious programme of work on climate change over the last year, working with some of the largest pension funds and insurers in the world to drive new thinking and commitments, and facilitating dialogue between investors and the corporate community on climate risks.

The year 2018/19 has seen strong growth of the inspiring Workforce Disclosure initiative (WDi), now into its second year and supported by over 120 investor signatories in 14 countries that have over \$13.5 trillion in assets under management. Ninety companies disclosed to the WDi in 2018, giving information on more than eight million workers. These companies maintain relationships with more than 1.5 million suppliers. A Department for International Development (DfID) grant for a further year of funding for WDi is evidence that the issue of fair wages and reduced economic inequality is recognised by government as a global priority. Although WDi is young, it is leading the charge for an inclusive economy where workers can enjoy a decent standard of living.

We are excited to have started work in earnest on our Healthy Markets program, gathering investment sector support to tackle childhood obesity. This major new programme is funded by Guy's and St. Thomas' Charity.

The influence and momentum that we have built over the last fourteen years is demonstrated in the level of investor interest we can now convene in support of ESG issues. Our objective is to educate, influence and promote awareness of how investors can ensure their money is not invested in destructive activities, and is instead doing some good in the world. The rise of the global corporation in recent decades has shown the weakness and vulnerability of the nation state to multiple environmental and social threats. Yet it is also the corporation, and the institutional capital that sustains it, which has the greatest potential to address these same threats. ShareAction has the unique role of harnessing public as well as shareholder will, using both to direct positive corporate action. People are learning to vote with their money.

This year our CEO, Catherine Howarth, gave evidence to the House of Commons Business Committee regarding executive pay and the failure of the asset management sector to use their influence to address this. This is perhaps partially as a result of the fund management sector itself having some of the highest executive pay of any industry. In addition, the finance sector, including asset management, has a gender pay gap significantly higher than that in industry as a whole. This shows how economic inequality can become self-perpetuating if left unaddressed.

As ever, it has been the support and tireless work of our staff, funders, volunteers and diverse supporters that has allowed ShareAction to make ever greater impact.

## Report of the Chair of the Board Year to 31 January 2019

From the trustee board let me express particular thanks to Stephen Davis and Mick McAteer who both completed their trusteeship after six years of service. Emma Howard Boyd has moved out of the role of chair, and we thank her for inspiring leadership in that role. We are delighted she is staying on as a trustee.

Our strength is based on our reputation for evidence-based and results-driven engagement with the investment industry and the corporations they own. This is only possible by continuing to maintain our independence and taking no money from the investment community. Our results in the past year are evidence not only of the power of this independence, but also of the quality of relationships we have built with senior decision makers in the investment and corporate sectors, as well as in government.

These are the progressive leaders who are willing to set aside the short-termism endemic in commerce and recognise the importance of building responsible brands, strong workforces and forward-looking companies. They are ready, willing and able to tackle the social and environmental challenges of our time.

Paul Dickinson



Chair

## Trustees' report Year to 31 January 2019

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 2019.

The financial statements have been prepared in accordance with the accounting policies set out on pages 24 to 27 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) effective from accounting periods commencing 1 January 2015 or later.

### 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.

## Trustees' report Year to 31 January 2019

In 2018/19 we delivered the following:

### UK Policy

In a long hoped-for breakthrough, after 8 years of advocacy by ShareAction and others, on 11 September 2018 the UK government published changes to regulations that govern how pension trustees consider environmental, social, and governance (ESG) factors in their investment decisions. The new rules will come into effect from 1 October 2019. These will require schemes to have a clear policy on how they manage ESG risks, including climate change. Defined contribution schemes, where scheme members bear the risks and costs of investments, will also have to publish a report on how those policies were implemented in practice each year. However, we believe that the new regulations do not yet go far enough in addressing how trustees might address the negative impacts of investments and we will keep pushing for reform in this area.

Catherine Howarth gave evidence to the House of Commons Business Committee on Wednesday 16 January regarding executive pay, highlighting the lack of action by fund managers to tackle the issue, despite public dissatisfaction with the widening gap between executive pay and that of ordinary workers, and the reputational risks inherent in failing to address these concerns. We held an event in Parliament in collaboration with the All-Party Parliamentary Climate Change Group where members of the Government's Green Finance Taskforce, including the chair Sir Roger Gifford, spoke on the challenges for policymakers and the finance industry of delivering the green energy investment needed to limit global warming to two degrees or below.

We published a checklist for pension trustees on steps to take in considering climate risk, which we launched in partnership with UKSIF. This was released on UKSIF's 2018 Ownership Day, and The Pensions Regulator spoke at the event to welcome the checklist, with the speech text since published on their website.

We circulated briefings on the Financial Conduct Authority's and Prudential Regulation Authority papers on their supervisory approaches to climate change to coordinate responses among our allies. We submitted responses to both consultations. We met with Ed Davey MP (Secretary of State for Energy and Climate Change from 2012 to 2015) to discuss these consultations and supported his office with submitting his own responses. We also assisted him with preparing for a meeting with Mark Carney, the Governor of the Bank of England.

### EU Policy

Our Brussels-based policy team was active during the year on a number of important pieces of legislation that form the flagship proposals in the EU's Action Plan for Financing Sustainable Growth. We encouraged MEPs and the European Commission to introduce requirements on institutional investors in Europe to provide more detailed reporting both on how they manage ESG risks and on how their investments impact the environment and vulnerable groups whose human rights may be at risk. We were pleased with the outcome of the legislative process, and with the engagement we achieved in support of our proposals.

### Investor Research and Engagement

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

- **Got It Covered? Insurance in a Changing Climate:** A ranking of the top 80 global insurers and their response to climate change. This report led to meetings with 24 insurers (with assets under management of \$7.5trn) about low-carbon investments, climate scenario analysis, governance of climate risks within their organisation, carbon footprinting and climate policy development. We will continue in 2019 to engage the global insurance sector on these themes and are pleased with ShareAction's growing influence over these important players in the capital markets.
- **The Engagement Deficit: Ranking Auto-enrolment Pension Providers on Responsible Investment and Member Engagement & Communications:** A ranking of the 10 largest auto-enrolment pension providers in the UK on responsible investment. We also assessed these major providers on the quality of their member communications and engagement. This research led to our team meeting with 9 of the 10 auto-enrolment providers to discuss their relative performance and our recommendations for each of them. We will continue to engage with this important set of schemes and push for stronger RI policies as well as a more member-centric approach to their public communication on RI.
- **Winning Climate Strategies:** A report exploring current best practices amongst global asset owners in respect of climate change. The report, based on interviews with 22 leading asset owners, identifies barriers to effective management of climate-related risks and opportunities, and presents a framework for other asset owners introducing and developing their own climate strategies. We received positive feedback from many in the industry on the value of this report.
- **Pensions in a Changing Climate:** A ranking of the top 100 global pension funds and their actions on climate change. This report led to meetings with 30 of the pension funds that we had assessed (with assets under management of \$3.67 trn) about low-carbon investments, climate scenario analysis, governance of climate issues, portfolio-wide risk assessment and external asset manager relationships.
- **Sleeping Giants: Are Bond Investors Ready to Act on Climate Change?** This piece of qualitative research involved 22 interviews with corporate bond market experts. The subsequent report, published in January, examined whether corporate bond investors are motivated to speed up alignment with the Paris Agreement and participate in forceful engagement. We concluded that bond investors are largely passive actors in the face of the challenging science on climate change, but we identified the value of getting bond investors more engaged and how such an outcome might be achieved. We intend to continue exploring how best to unlock the vast power of bond investors to help the world transition to a low carbon economy.

In September 2018, a ShareAction team attended the Global Climate Action Summit in California where we ran a couple of well-attended events focused on the role of investors in enabling a low carbon transition. Our first event for asset owners and asset managers to discuss how portfolios might be constructed to align with the goals of the Paris Climate Agreement was particularly well received. Twenty of the most prominent responsible investors in the USA and Europe attended. There was general agreement that designing Paris-compliant investment portfolios is not easy and also that over-engineering the answers to this challenge should be avoided.



It was positive to see how motivated many investors have become, and the event illustrated how influential ShareAction has become with some of the leading players in the global investment community.

### Corporate Strategies

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

- Publishing briefings and reports on environmental and social topics to inform impact-driven investor engagement with companies;
- Coordinating collaborative investor dialogue with companies to reduce their negative impacts and increase their positive impacts;
- Organising more forceful investor activism where dialogue proves ineffective at shifting companies onto a sustainable pathway.

In 2018/19 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 fossil fuels sector

During the first five months of 2018, ShareAction put significant energy and resource into a shareholder resolution at Royal Dutch Shell. The resolution, led by Dutch retail investor network Follow This and co-filed by ShareAction, called on the company to set and publish targets that would align its capital expenditure decisions and overall business model with the goals of the Paris Agreement. The resolution failed to secure a substantial vote in support at the AGM in May, but it generated fierce debate amongst institutional investors in the company. Four months after the AGM, Shell changed its previous opposition to the idea of Scope 3 targets and announced that it would transform its Net Carbon Footprint Ambition into Scope 3 emissions<sup>1</sup> targets. This was announced in a joint press release with CA100+ in December 2018. Shell also committed to tying its short-term targets to the remuneration policies of its top 1,200 executives (set to be voted on at its 2020 AGM). We were particularly pleased with this announcement as ShareAction has published a number of investor briefings on the importance of aligning executive incentives with the long-term environmental performance of the company.

#### <2°C alignment of the banking sector

A key development during the year was Standard Chartered Bank's (SCB) decision to withdraw from all coal financing opportunities on a worldwide basis. This positive decision had been hard-fought from a bank that had increased its exposure to coal financing over the last three years. ShareAction had attended the bank's AGM to pose questions on climate related risks in each of the last three years, putting a focused question on coal to the board at the 2018 AGM.

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<sup>1</sup> Scope 3 emissions are all indirect emissions (not included in scope 2) that occur in the value chain of the reporting company, including both upstream and downstream emissions

This resulted in a meeting in late April to discuss the bank's plans on coal with the Group Chief Risk Officer and Group Head of Compliance and Public Affairs, both of whom are on the management team of the bank. In the following months, we intensively briefed SCB's major shareholders on the case for a blanket ban on coal financing, which resulted in the bank's CEO being questioned closely on the matter during the bank's stewardship day for investors in early September. On 24 September the bank published its new coal-free financing policy, a major win for ShareAction having worked on this campaign for over two years. We have since turned our attention to HSBC, whose own 2018 revised energy policy continues to permit financing of coal in Indonesia, Vietnam and Bangladesh. Our win at SCB should help in pushing HSBC to commit to a stronger and fully coal-free policy of its own.

Meanwhile, on 18 September we published a new report, 'Getting to Green: Showcasing Leading Approaches to Climate Change in the European Banking Sector,' which highlights best practice from a wide range of European banks on topics including climate scenario planning, low carbon financing, client engagement, climate related disclosures and target setting. The report is based on research and interviews with European banks, and our aim is to accelerate the process whereby leading practices are copied. Investors are a key audience, but the European Banking Authority also gave it high praise and distributed it to banks across Europe.

#### Investor Decarbonisation Initiative (IDI)

The Investor Decarbonisation Initiative (IDI) is a now mature campaign backed by 74 institutional investors with over USD 1.2 trillion in assets under management. The campaign pushes large public companies to adopt science-based targets aligned with the goals of the Paris Agreement and to commit to using 100% renewable electric power, buying electric vehicles and installing charging points, and improving their energy productivity. We sent investor-endorsed letters to 60 companies over the course of 2018 and made considerable progress with corporate commitments. Six major companies, including Vodafone, Danone and Schroders, have committed to using 100% renewable electricity via RE100, and four companies, including Italian power generation company, A2A and the Canadian National Railway Company, have committed to setting science-based targets, following our engagement.

#### Workforce Disclosure Initiative (WDI)

The Workforce Disclosure Initiative continued into a second year of asking companies across the world to disclose comparable and meaningful workforce data on their direct operations and supply chain workers to investors. The pilot year completed with a launch event at the beginning of May where we published a report on the 34 companies that had disclosed data. We then moved quickly on to refining the survey and getting it to a wider group of companies for 2018/19. The investor signatory group has grown over the past year from 79 investors to more than 120. These investors are based in 14 countries and have \$13.5 trillion of assets under management. 90 companies disclosed information in 2018, giving information on more than 8 million workers and supplier relationships for more than 1.5m suppliers.

ShareAction secured a further year of funding from DFID, allowing us to expand the team for

2019 to increase our reach to a wider company and investor group, as well as to increase our capacity to carry out specific topic and sector research on this growing data set.

#### Living Wages in the UK

Our living wage campaign continues to celebrate success. We coordinated 15 investors with assets totalling over £180 billion to write to FTSE companies to encourage them to accredit with the Living Wage Foundation. ShareAction has now engaged with the majority of FTSE 100 companies on the issue of the Living Wage, and in 2018 we expanded our scope to the FTSE 350. Engagement recently focused on construction companies, as the sector has been identified as particularly prone to the precarious employment of workers and low pay.

#### Food and Health – Healthy Markets

We secured a three-year grant from Guys and St Thomas' Charity in September 2018 to start a campaign focused on childhood obesity and sugar. This work will start in earnest in 2019.

#### **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 2018/19 we delivered the following:

#### The European Responsible Investment Network (ERIN)

Since its launch in 2016, the ERIN network has grown to 42 members across 12 countries and continues to be a gathering point for European civil society on sustainable finance. The monthly ERIN newsletter enjoys consistent readership and reaches a broad audience from civil society, the finance industry and policy representatives.

Throughout 2018, we focused on deepening connections with our members, and facilitating more opportunities to interact and engage within the network and beyond. Our programme of capacity building activities through online skill-shares, briefings and news digests has been well received. We facilitated attendance at 15 European AGMs, ensuring members are able to directly hold companies to account on their environmental and human rights performance.

Through these activities, members report they:

- Stay up to date on new ideas and trends;
- Become better connected to other organisations; and
- Develop new partnerships.

#### The Charities Responsible Investment Network (CRIN)

CRIN has benefitted from a new manager and a structured work plan for the year. We hosted five events and two webinars, with a good range of member attendance.

## Trustees' report Year to 31 January 2019

We also published four reports with a high level of member input and engagement:

- Improving the Conversation: What Charity Investors Expect from their Asset Managers;
- Assessing and Engaging Asset Managers on Proxy Voting: Controversial Votes in 2017;
- Issues for 2018' and Proxy Voting Policy & Practice: Charity Asset Managers in Focus;
- Good Engagement Guide for Charity Investors.

We produced 'CRIN Asset Manager Reports' on the RI performance of 16 commonly used charity asset managers, to help our members understand the strengths and weaknesses of their managers, and to push them to raise standards.

### Work with individual savers

We published a report entitled "Next Generation Pensions" on 15 March, arguing that the pensions industry is missing a trick not talking to millennial savers about the impact of their investments.

We continued to work with groups of pension savers, running two events, with nine training sessions which trained over 100 people. However, over the past few years we have seen drop off rates in engagement from savers – it is a long road to win change from the pensions industry. We were therefore very excited to be awarded a capacity building grant from Generation Foundation to run a research and development (R&D) lab to prototype new ways of engaging and working with savers on their pension savings. We spent the last few months of the financial year researching partners to work with, summarising our previous successes and challenges, and researching fin tech and pension tech organisations to see what we could learn. We are excited to be working with Purpose, an external consultant, to run the R&D lab in early 2019.

### AGM Activism

ShareAction asked 93 AGM questions on our campaigns and supported 23 external organisations across 89 AGMs in total. We had good success in 2018 in raising the profile of this important tool for change, by publishing vlogs and blogs and by increasing the social media output from our AGM activists.

**Risk management**

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	Mitigation
<p><b>Loss of key staff: Difficulty in recruiting and retaining staff could put our mission at risk and the trustees are very alert to the issues caused by the loss of key personnel, particularly the CEO.</b></p>	<p>We have continued to build the leadership team to support and learn from the CEO and have benchmarked the remuneration policy established in 2017 to ensure that we are offering competitive rates of pay. We have implemented Salesforce and rolled that out across our teams, improving knowledge management across the organisation. We have appointed a Head of Operations and a priority for 2019 will be to introduce agile performance management as a framework to ensure we are supporting and developing our staff.</p>
<p><b>Not enough funding or an over-dependence on restricted funds: Our dependence on philanthropic funders presents the risk that there are insufficient funds to continue to deliver our mission. The charity is also growing its operations predominantly through projects, which are funded with restricted grants. As a result, the proportion of funds that are unrestricted is diminishing, putting pressure on both operations and reserves and this needs to be carefully managed.</b></p>	<p>We have built more capacity into the fundraising team over the past two years and are involving more staff in the fundraising process. We have formal pipeline management and tracking in place through Salesforce and this is reviewed monthly by the leadership team. Work is underway to diversify our income, specifically in the form of a major donor programme but also by looking at alternative funding models for programmes such as WDI.</p>
<p><b>Capacity and capabilities of staff: many staff are recent graduates and face a heavy workload. There are risks to our dealings with stakeholders, funders, the press, and our supporters if staff are not fully trained in their area of work or are too stretched to do a thorough job.</b></p>	<p>We have made strides to hire more experienced staff in 2018, supplementing the leadership team and hiring individuals at the programme manager layer. We have increased the amount of structured management training, and the provision of skills-based training for the staff that require it. We are also in the process of rolling out Scrum project management across all teams so that there is real time visibility of pinch points and prioritisation of tasks, as well as frequent project reviews to enable continuous improvement.</p>

The Trustees are alert to these risks and the Finance, Audit and Risk Committee will 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 £2,347,113 (2018 - £1,944,600) and an unrestricted surplus of £189,262 (2018 - £220,165).

In the current year 15 member organisations contributed fees amounting to £26,918 (2018 - 14 member organisations including one associate member - £25,000). CRIN income decreased with 22 CRIN members contributing membership fees of £102,500 (2018 - 25 members contributing fees of £115,000). A new CRIN Manager started in March 2018, and has set up a comprehensive delivery and engagement plan to avoid further attrition.

The charity received grants and donations totalling £2,211,939 (2018 - £1,802,848) (including campaigning and education income). Of the 37 organisations making grants and donations (2018 - 32), 26 (2018 - 22) made restricted grants as shown in note 4 to the accounts, and 10 (2018 - 9) made unrestricted grants as shown in note 1 to the accounts. The charity received £77,424 in donations from individuals (2018 - £70,585) and growing this category of income will be a major focus in the next financial year. The amount of cash held and cash equivalents had increased at year-end to £1,570,974 (2018 - £754,955).

***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 2019, the charity held unrestricted funds of £809,504 (2018 - £620,242) and £nil restricted funds (2018- £nil). After adjusting for the net book value of tangible fixed assets, and excluding those reserves which have been designated, free reserves stood at £806,720 (2018 - £517,699). This level of free reserves is equal to 4.2 months' expenditure based on our average monthly budgeted spend for 2019/20 and is in line with the policy.

### **Future plans**

In the Autumn of 2018, ShareAction embarked on a strategy development process to ensure our future activities focus on critical opportunities and needs whilst attracting funds and staying firmly within our charitable objects.

Whilst continuing to pursue investor strategies, corporate strategies and movement building strategies as we have for the last decade, the organisation will adopt a more ambitious definition of responsible investment that pushes mainstream institutional investors to actively manage the impacts of their decisions on the environment, communities, workers and other vulnerable parties. The definition of responsible investment currently used and acknowledged by the investment industry merely sees institutional investors managing environmental, social and governance risks for the financial benefit of their clients and beneficiaries.

ShareAction will seek to continue on a path of growth, influence and impact in continental Europe, where we see particularly rich opportunities to leverage the power of investors over companies and their global operations for the public benefit.

### **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.

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



### ***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. In 2019/20 a number of trustee positions are becoming available; new trustees will be recruited with the future strategy of the charity in mind.

### ***Organisation structure***

The Trustees are required to hold at least three meetings each year and currently meet four times a year. 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. In order to deliver the strategy, the Chief Executive 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.

In 2015, the Governance Sub-Committee (now split into an HR and Governance Committee and a Finance, Audit, and Risk Committee) facilitated the creation and implementation of a new remuneration policy and pay-spine to cover all positions within ShareAction. This was nominally benchmarked against NCVO data on charity sector salaries. This policy was revamped in 2017 and benchmarked again in 2018. All staff and the policy itself are reviewed at least annually against this scale.

### ***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 2018/19. In the event of a complaint being received, these are handled by a senior member of staff or the Chief Executive.

## Trustees' report Year to 31 January 2019

### 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	
Stephen Davis	
Paul Dickinson	
Emma Howard Boyd	
Mick McAteer	
Jane Cooper	
Rob Ryan	
Lisa (Rebecca) Warren	

Nicola Cullen resigned as Company Secretary on 2 March 2018.

### 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.

**Statement of Trustees' responsibilities** (continued)

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:



Print name: PAUL DICKINSON

Approved by the Trustees on: 27/8/2019

**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 2019 which comprise the statement of financial activities, the balance sheet, and 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 2019 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**

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

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

**Other information**

The trustees are responsible for the other information. The other information comprises the information included in the annual report 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; or
- ◆ the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

## Independent auditor's report Year to 31 January 2019

### Responsibilities of trustees

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

In preparing the financial statements, the trustees are responsible for assessing the 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.

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](http://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.



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

9/2/19

**Statement of financial activities** Year to 31 January 2019

	Notes	Unrestricted funds £	Restricted funds £	Total 2019 £	Unrestricted funds £	Restricted funds £	Total 2018 £
<b>Income:</b>							
Donations	1	421,340	—	421,340	322,419	—	322,419
Other trading activities	2	129,418	—	129,418	140,000	—	140,000
Investment income	3	376	—	376	350	—	350
Charitable activities	4	—	1,790,599	1,790,599	—	1,480,429	1,480,429
Other income		5,380	—	5,380	1,402	—	1,402
<b>Total income</b>		<b>556,514</b>	<b>1,790,599</b>	<b>2,347,113</b>	<b>464,171</b>	<b>1,480,429</b>	<b>1,944,600</b>
<b>Expenditure:</b>							
Cost of raising funds	5	164,716	—	164,716	105,203	—	105,203
Expenditure on charitable activities	5	202,031	1,790,599	1,992,630	138,678	1,480,429	1,619,107
<b>Total expenditure</b>		<b>366,747</b>	<b>1,790,599</b>	<b>2,157,346</b>	<b>243,881</b>	<b>1,480,429</b>	<b>1,724,310</b>
Net income before losses on investments		189,767	—	189,767	220,290	—	220,290
Net losses on listed investments		(505)	—	(505)	(125)	—	(125)
<b>Net income for the year and net movement in funds</b>		<b>189,262</b>	<b>—</b>	<b>189,262</b>	<b>220,165</b>	<b>—</b>	<b>220,165</b>
<b>Reconciliation of funds:</b>							
Total funds brought forward at 1 February 2018		620,242	—	620,242	400,077	—	400,077
Total funds carried forward at 31 January 2019		809,504	—	809,504	620,242	—	620,242

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

There is no difference between the net income and the retained net income for the year stated above, and their historical cost equivalents.

The charity has no recognised gains and losses other than those included above, and therefore no separate statement of total recognised gains and losses has been prepared.

**Balance sheet** Year to 31 January 2019

	Notes	2019 £	2019 £	2018 £	2018 £
<b>Fixed assets</b>					
Investments	8		<u>2,784</u>		<u>2,543</u>
			<u>2,784</u>		<u>2,543</u>
<b>Current assets</b>					
Debtors	9	110,809		200,088	
Cash at bank and in hand		<u>1,570,974</u>		<u>754,690</u>	
		<u>1,681,783</u>		<u>954,778</u>	
<b>Creditors: amounts falling due within one year</b>	10	<u>(875,063)</u>		<u>(337,079)</u>	
<b>Net current assets</b>			<u>806,720</u>		<u>617,699</u>
<b>Total net assets</b>			<u>809,504</u>		<u>620,242</u>
<b>The funds of the charity:</b>					
Restricted funds	11		—		—
Unrestricted income funds					
. General fund			809,504		520,242
. Designated funds	13		—		100,000
			<u>809,504</u>		<u>620,242</u>

The financial statements were approved by the Board of Directors on 27 August 2019 and signed on their behalf by:



Print name: PAUL DICKINSON

Registered Company Number: 05013662



**Statement of cash flows** Year to 31 January 2019

	Notes	2019 £	2018 £
<b>Cash flows from operating activities:</b>			
Net cash provided by operating activities	A	816,654	267,579
		<u>816,654</u>	<u>267,579</u>
<b>Cash flows from investing activities:</b>			
Investment income		376	350
Purchase of tangible fixed assets		—	(6,177)
Proceeds from the disposal of investments		—	—
Purchase of investments		(672)	(575)
<b>Net cash used in investing activities</b>		<u>(296)</u>	<u>(6,402)</u>
<b>Change in cash and cash equivalents in the year</b>		<b>816,358</b>	<b>261,177</b>
<b>Cash and cash equivalents at 1 February 2018</b>	B	<b>754,955</b>	<b>493,778</b>
<b>Cash and cash equivalents at 31 January 2019</b>	B	<u><b>1,571,313</b></u>	<u><b>754,955</b></u>

**Notes to the statement of cash flows for the year to 31 January 2019**

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

	2019 £	2018 £
<b>Net movement in funds (as per the statement of financial activities)</b>	<b>189,262</b>	<b>220,165</b>
<b>Adjustments for:</b>		
Depreciation charge	—	14,196
Losses on investments	505	125
Investment income	(376)	(350)
Decrease in debtors	89,279	190,292
Increase (decrease) in creditors	537,984	(156,849)
<b>Net cash provided by operating activities</b>	<u><b>816,654</b></u>	<u><b>267,579</b></u>

**B Analysis of cash and cash equivalents**

	2019 £	2018 £
Cash at bank and in hand	1,570,974	754,690
Cash held by investment managers	339	265
<b>Total cash and cash equivalents</b>	<u><b>1,571,313</b></u>	<u><b>754,955</b></u>

## Principal accounting policies Year to 31 January 2019

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) issued on 16 July 2014, 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.

### **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 in respect to a period of one year from the date of approval of these accounts.

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. 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.

## Principal accounting policies Year to 31 January 2019

### 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)

This policy was changed during the year ended 31 January 2018 and all assets with a cost of less than £1,000 but were previously capitalised were depreciated to £nil in that year.

## Principal accounting policies Year to 31 January 2019

### **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.

### **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.

### **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.

## **Principal accounting policies** Year to 31 January 2019

### **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.

Notes to the financial statements Year to 31 January 2019

1 Donations

	Unrestricted funds £	Restricted funds £	Total 2019 £
<b>Grants and donations received</b>			
<b>Grants</b>			
. The Joseph Rowntree Charitable Trust	32,083	—	32,083
. Esmée Fairbairn Foundation	100,000	—	100,000
. Generation Foundation	50,000	—	50,000
. The Tudor Trust	35,000	—	35,000
. Friends Provident Foundation	51,250	—	51,250
. The Polden-Puckham Charitable Foundation	1,250	—	1,250
. The John Ellerman Foundation	3,333	—	3,333
. Unison	1,000	—	1,000
. Paul Hamlyn Foundation	20,000	—	20,000
. Frederick Mulder Foundation	10,000	—	10,000
<b>Donations</b>			
. Prism – The Gift Fund	40,000	—	40,000
. Donations from individuals	77,424	—	77,424
<b>Total 2019</b>	<b>421,340</b>	<b>—</b>	<b>421,340</b>

  

	Unrestricted funds £	Restricted funds £	Total 2018 £
<i>Grants and donations received</i>			
<i>Grants</i>			
. The Joseph Rowntree Charitable Trust	35,000	—	35,000
. Esmée Fairbairn Foundation	46,667	—	46,667
. Lankelly Chase Foundation	50,000	—	50,000
. The Tudor Trust	40,000	—	40,000
. Friends Provident Foundation	25,000	—	25,000
. The Polden-Puckham Charitable Foundation	15,000	—	15,000
. Unison	167	—	167
. Paul Hamlyn Foundation	20,000	—	20,000
. Frederick Mulder Foundation	10,000	—	10,000
<i>Donations</i>			
. Donations from NGOs – The Serve All Trust	10,000	—	10,000
. Donations from individuals	70,585	—	70,585
<b>Total 2018</b>	<b>322,419</b>	<b>—</b>	<b>322,419</b>

Notes to the financial statements Year to 31 January 2019

2 Other trading activities

	Unrestricted	
	Total 2019 £	Total 2018 £
<i>Full members</i>		
CAFOD	2,000	2,000
Christian Aid	2,000	2,000
CWU	2,000	2,000
Friends of the Earth	2,000	2,000
Oxfam	2,000	2,000
Prospect	2,000	2,000
Unite – the Union	2,000	2,000
University and College Union	2,000	2,000
WWF – UK	2,000	2,000
Amnesty International UK Charitable Trust	1,668	—
Community Union	1,000	1,000
National Council for Voluntary Organisations	1,000	1,000
TSSA	1,000	1,000
Greenpeace	2,000	2,000
Citizens UK	—	2,000
Other	2,250	—
	<b>26,918</b>	<b>25,000</b>
<i>CRIN Membership fees</i>		
Barrow Cadbury Trust	5,000	5,000
Comic Relief	5,000	5,000
Esmée Fairbairn Foundation	5,000	5,000
Friends Provident Foundation	5,000	5,000
Jesuits in Britain	5,000	5,000
Lankelly Chase Foundation	5,000	5,000
Paul Hamlyn Foundation	5,000	5,000
Tellus Mater Foundation	5,000	5,000
The Baring Foundation	5,000	5,000
The Joseph Rowntree Charitable Trust	5,000	5,000
The Joseph Rowntree Foundation	5,000	5,000
The Polden-Puckham Charitable Foundation	5,000	5,000
Trust for London	5,000	5,000
WWF-UK	5,000	5,000
Guy's and St Thomas' Charity	5,000	2,500
John Ellerman Foundation	5,000	2,500
The Health Foundation	4,583	5,000
The Tudor Trust	4,167	5,000
The Ashden Trust	2,500	3,334
Save the Children Fund	1,667	5,000
The Golden Bottle Trust	—	5,000
The Scott Trust Limited	—	5,000
Treebeard Trust	—	5,000
JJ Charitable Trust	—	3,333
Mark Leonard Trust	—	3,333
Other	9,583	—
	<b>102,500</b>	<b>115,000</b>
<b>Total</b>	<b>129,418</b>	<b>140,000</b>

Notes to the financial statements Year to 31 January 2019

**3 Investment income**

	Unrestricted	
	Total	Total
	2019	2018
	£	£
Bank interest receivable	269	174
Dividends receivable	107	176
<b>Total</b>	<b>376</b>	<b>350</b>

**4 Income from charitable activities**

	Restricted	
	Total	Total
	2019	2018
	£	£
Department for International Development	433,752	364,653
Finance Dialogue / European Climate Foundation	376,468	369,270
Hewlett Foundation	236,695	—
ClientEarth	137,497	96,250
KR Foundation	119,161	70,863
We Mean Business/ New Venture Fund	100,354	—
Rockefeller Brothers fund	67,153	—
The Climate Change Collaboration (Ashden Trust; JJ Charitable Trust; Mark Leonard Trust; Tedworth Charitable Trust)	64,334	110,833
iKEA / New Venture Fund	49,787	65,662
City Bridge Trust	40,250	39,625
Barrow Cadbury Trust	26,400	36,000
JNG Foundation	25,000	—
Climate Works	24,345	—
Guy's and St. Thomas' Charity	22,837	4,425
Unison	18,333	3,500
Joseph Rowntree Foundation	11,712	—
Institute of Christian Education Trust Jesuits in Britain	10,000	—
Friends Provident Foundation	6,250	77,500
Franciscan Missionaries of the Divine Motherhood	4,167	—
Trust for London	3,104	—
Christian Education Trust	3,000	—
WWF – UK	2,500	7,500
Arcus Foundation	2,500	—
Capuchin Franciscans	2,000	—
Handmaids of the Sacred Heart of Jesus	2,000	—
Institute of Our Lady of Mary	1,000	—
MAVA Foundation	—	120,963
The Jeremy Coller Foundation	—	41,178
Guerrilla Foundation	—	30,543
Network for Social Change	—	19,059
The Financial Reporting Council	—	10,000
European Commission in the UK	—	4,378
Teilus Mater Foundation	—	4,167
VBDO	—	2,610
PRI	—	1,250
Other	—	200
<b>Total 2018</b>	<b>1,790,599</b>	<b>1,480,429</b>



Notes to the financial statements Year to 31 January 2019

5 Expenditure

	Raising funds £	Campaigning and education £	Total 2019 £
<i>Direct costs</i>			
Staff costs (note 6)	—	1,169,884	1,169,884
Research & communication	—	272,396	272,396
	—	1,442,280	1,442,280
<i>Support costs</i>			
Staff costs (note 6)	140,423	304,714	445,137
Other staff expenses	4,144	41,898	46,042
Legal & professional	2,423	24,494	26,917
Depreciation	—	—	—
Operating lease rentals (note 14)	7,302	73,840	81,142
General office costs	4,715	47,676	52,391
Website & ICT expenses	4,079	41,245	45,324
Travel and subsistence	331	3,344	3,675
Bank charges	344	3,483	3,827
Auditors' remuneration			
• Audit fee (including VAT) – current year	505	5,106	5,611
Other expenses	450	4,550	5,000
	164,716	550,350	715,066
<b>Total</b>	<b>164,716</b>	<b>1,992,630</b>	<b>2,157,346</b>

	Raising funds £	Campaigning and education £	Total 2018 £
<i>Direct costs</i>			
Staff costs (note 6)	—	965,008	965,008
Research & communication	—	190,039	190,039
	—	1,155,047	1,155,047
<i>Support costs</i>			
Staff costs (note 6)	87,862	229,139	317,001
Other staff expenses	2,544	34,575	37,119
Legal & professional	3,337	45,349	48,686
Depreciation	973	13,223	14,196
Operating lease rentals (note 14)	4,399	59,794	64,193
General office costs	3,127	41,743	44,870
Website & ICT expenses	1,644	22,345	23,989
Travel and subsistence	728	9,897	10,625
Bank charges	238	3,228	3,466
Auditors' remuneration			
• Audit fee (including VAT) – current year	351	4,767	5,118
Other expenses	—	—	—
	105,203	464,060	569,263
<b>Total</b>	<b>105,203</b>	<b>1,619,107</b>	<b>1,724,310</b>

Notes to the financial statements Year to 31 January 2019

**5 Expenditure (continued)**

The allocation of costs between funds was as follows:

	Unrestricted funds £	Restricted funds £	Total funds £
<b>2019</b>			
Raising funds	164,761	—	164,761
Campaigning and education	201,986	1,790,599	1,992,585
<b>Total 2019</b>	<b>366,747</b>	<b>1,790,599</b>	<b>2,157,346</b>
<b>2018</b>			
Raising funds	105,203	—	105,203
Campaigning and education	138,678	1,480,429	1,619,107
<b>Total 2018</b>	<b>243,881</b>	<b>1,480,429</b>	<b>1,724,310</b>

**6 Particulars of employees**

The average number of employees analysed by function was:

	2019 No.	2018 (restated) No.
Campaigning and education	23	25
Management and administration	11	7
Fundraising and communications	6	4
	<b>40</b>	<b>36</b>

	2019 £	2018 £
Wages and salaries	1,378,949	1,099,859
Social Security costs	131,486	104,753
Pension costs	104,586	77,397
	<b>1,615,021</b>	<b>1,282,009</b>

One employee earned between £80,001 and £90,000 per annum (2018 – two between £60,001 and £70,000) during the year.

No trustee received any remuneration for their services during the year (2018 – £nil). One trustee during the year received reimbursement for travelling expenses via their employer organisation of £98 (2018 – 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 £389,921 (2018 - £153,580).

Notes to the financial statements Year to 31 January 2019

**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**

	2019 £	2018 £
<b>Listed investments</b>		
Market value at 1 February 2018	2,278	1,828
Additions at cost	672	575
Net unrealised losses / gains	(505)	(125)
Market value at 31 January 2019	2,445	2,278
<b>Cash held by investment managers for re-investment</b>	339	265
	<b>2,784</b>	<b>2,543</b>
Cost of listed investments at 31 January 2019	<b>3,970</b>	<b>3,298</b>

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

**9 Debtors**

	2019 £	2018 £
Trade debtors	47,896	161,484
Other debtors	37,258	25,831
Prepayments	25,655	12,773
	<b>110,809</b>	<b>200,088</b>

**10 Creditors: amounts falling due within one year**

	2019 £	2018 £
Trade creditors	69,165	20,884
Other taxes and social security costs	41,197	35,160
Accruals	32,290	15,236
Deferred income	704,413	254,826
Other creditors	27,998	10,973
	<b>875,063</b>	<b>337,079</b>

Notes to the financial statements Year to 31 January 2019

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

Deferred income comprises membership income, CRIN membership income and grant income:

	2019 £	2018 £
Membership income	10,333	12,250
CRIN membership income	30,833	48,333
Grant income	663,247	194,243
	<b>704,413</b>	<b>254,826</b>

**11 Restricted funds**

	Balance at 1 February 2018 £	Income and gains £	Expenditure £	Balance at 31 January 2019 £
Department for International Development	—	433,752	(433,752)	—
Finance Dialogue / European Climate Foundation	—	376,468	(376,468)	—
Hewlett Foundation	—	236,695	(236,695)	—
ClientEarth	—	137,497	(137,497)	—
KR Foundation	—	119,161	(119,161)	—
We Mean Business/ New Venture Fund	—	100,354	(100,354)	—
Rockefeller Brothers fund	—	67,153	(67,153)	—
The Climate Change Collaboration (Ashden Trust; JJ Charitable Trust; Mark Leonard Trust; Tedworth Charitable Trust)	—	64,334	(64,334)	—
IKEA / New Venture Fund	—	49,787	(49,787)	—
City Bridge Trust	—	40,250	(40,250)	—
Barrow Cadbury Trust	—	26,400	(26,400)	—
JNG Foundation	—	25,000	(25,000)	—
Climate Works	—	24,345	(24,345)	—
Guy's and St. Thomas' Charity	—	22,837	(22,837)	—
Unison	—	18,333	(18,333)	—
Joseph Rowntree Foundation	—	11,712	(11,712)	—
Institute of Christian Education Trust Jesuits in Britain	—	10,000	(10,000)	—
Friends Provident Foundation	—	6,250	(6,250)	—
Franciscan Missionaries of the Divine Motherhood	—	4,167	(4,167)	—
Trust for London	—	3,104	(3,104)	—
WWF – UK	—	2,500	(2,500)	—
Arcus Foundation	—	2,500	(2,500)	—
Capuchin Franciscans	—	2,000	(2,000)	—
Handmaids of the Sacred Heart of Jesus	—	2,000	(2,000)	—
Christian Education Trust	—	3,000	(3,000)	—
Institute of Our Lady of Mary	—	1,000	(1,000)	—
<b>Total restricted funds</b>	<b>—</b>	<b>1,790,599</b>	<b>(1,790,599)</b>	<b>—</b>

Notes to the financial statements Year to 31 January 2019

**11 Restricted funds (continued)**

	<i>Balance at 1 February 2017</i>	<i>Income and gains</i>	<i>Expenditure</i>	<i>Balance at 31 January 2018</i>
	£	£	£	£
<i>European Climate Foundation</i>	—	369,270	(369,270)	—
<i>Department for International Development</i>	—	364,653	(364,653)	—
<i>MAVA Foundation</i>	—	120,963	(120,963)	—
<i>The Climate Change Collaboration (Ashden Trust; JJ Charitable Trust; Mark Leonard Trust; Tedworth Charitable Trust)</i>	—	110,833	(110,833)	—
<i>ClientEarth</i>	—	96,250	(96,250)	—
<i>Friends Provident Foundation</i>	—	77,500	(77,500)	—
<i>KR Foundation</i>	—	70,863	(70,863)	—
<i>New Venture Fund</i>	—	65,662	(65,662)	—
<i>The Jeremy Collier Foundation</i>	—	41,178	(41,178)	—
<i>City Bridge Trust</i>	—	39,625	(39,625)	—
<i>Barrow Cadbury Trust</i>	—	36,000	(36,000)	—
<i>Guerilla Foundation</i>	—	30,543	(30,543)	—
<i>Network for Social Change</i>	—	19,059	(19,059)	—
<i>The Financial Reporting Council</i>	—	10,000	(10,000)	—
<i>WWF – UK</i>	—	7,500	(7,500)	—
<i>Guy's and St. Thomas' Charity</i>	—	4,425	(4,425)	—
<i>The European Commission in the UK</i>	—	4,378	(4,378)	—
<i>Tellus Mater Foundation</i>	—	4,167	(4,167)	—
<i>Unison</i>	—	3,500	(3,500)	—
<i>VBDO</i>	—	2,610	(2,610)	—
<i>PRI</i>	—	1,250	(1,250)	—
<i>Other</i>	—	200	(200)	—
<b>Total restricted funds</b>	<b>—</b>	<b>1,480,429</b>	<b>(1,480,429)</b>	<b>—</b>

**12 Analysis of net assets between funds**

Total funds are represented by:

	Unrestricted funds	Restricted funds	Total funds
	£	£	£
Year to 31 January 2019			
Investments	2,784	—	2,784
Current assets	1,681,783	—	1,681,783
Creditors	(875,063)	—	(875,063)
	809,504	—	809,504

**12 Analysis of net assets between funds (continued)**

	<i>Unrestricted funds</i>	<i>Tangible fixed asset fund</i>	<i>Restricted funds</i>	<i>Total funds</i>
<i>Year to 31 January 2018</i>	£	£	£	£
<i>Investments</i>	2,543	—	—	2,543
<i>Current assets</i>	954,778	—	—	954,778
<i>Creditors</i>	(337,079)	—	—	(337,079)
	<u>620,242</u>	<u>—</u>	<u>—</u>	<u>620,242</u>

**13 Designated funds**

The income funds of the charity include the following designated funds, which have been set aside out of unrestricted funds in the current year by the trustees for a specific purpose:

	<i>As at 1 February 2018</i>	<i>New designations</i>	<i>Utilised/ released</i>	<i>As at 31 January 2019</i>
<i>Year to 31 January 2019</i>	£	£	£	£
<i>Europe fund</i>	53,972	—	(53,972)	—
<i>Systems development fund</i>	46,028	—	(46,028)	—
	<u>100,000</u>	<u>—</u>	<u>(100,000)</u>	<u>—</u>

	<i>As at 1 February 2017</i>	<i>New designations</i>	<i>Utilised/ released</i>	<i>As at 31 January 2018</i>
<i>Year to 31 January 2018</i>	£	£	£	£
<i>Europe fund</i>	—	53,972	—	53,972
<i>Systems development fund</i>	—	46,028	—	46,028
	<u>—</u>	<u>100,000</u>	<u>—</u>	<u>100,000</u>

During the year restricted grant funding was secured to support European activities and this is expected to be the case in future years. Systems development was undertaken in the year and was funded from core funding. As such the entirety of the designated funds have been transferred back to general funds.

#### 14 Financial commitments

##### *Land and building*

At 31 January 2019, the charity had the following future minimum commitments in respect to non-cancellable operating leases:

	Land and buildings	
	2019	2018
	£	£
Payable within one year	32,633	39,780

##### *Equipment*

At 31 January 2019, the charity had the following future minimum commitments in respect to non-cancellable operating leases:

	Equipment	
	2019	2018
	£	£
Payable within one year	2,194	2,194
Payable between one to two years	731	2,194
Payable between two to five years	—	731

#### 15 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.

#### 16 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 fourteen full members and one associate member.

#### 17 Related party transactions

The aggregate amount of unrestricted donations received from related parties was £51,250.

This comprises a donation of £51,250 from Friends Provident Foundation. Friends Provident Foundation also gave a restricted donation of £6,250, and paid £5,000 for CRIN membership in the year. One of the charity's trustees, Paul Dickinson, is also a trustee of Friends Provident Foundation.

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