

**Fairshare Educational
Foundation T/A
ShareAction**

**Annual Report and Financial
Statements**

31 January 2020

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

Charity Registration Number
1117244

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Reference and administrative details

Board of Trustees and Directors	Paul Dickinson (Chair) Emma Howard Boyd (resigned January 2020) Andrew Jonathan Clarke (ended term August 2020) Stephen Davis (ended term April 2019) Mick McAteer (ended term April 2019) Jane Cooper Rob Ryan Lisa (Rebecca) Warren Olivia Dickson (appointed January 2020) Shipra Gupta (appointed January 2020) Alice Steenland (appointed January 2020)
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

The financial year ending 31 January 2020 was another strong one for the charity. Our profile and the reputation of our research and campaigns grew considerably during the year. Notable achievements were the positive impacts of our policy-related activities in Brussels and London. 2019 was a year in which financial sector policy makers committed to bold reforms requiring higher standards of institutional investors. Our dogged engagement with policy makers and our collation of strong evidence in support of such reforms paid off during the year.

We were delighted to see the launch in 2019 of a new network of asset owners, the Responsible Investment Network – Universities, which has brought together university endowments to advance standards of RI in that growing sector.

We launched a substantial new programme in the area of public health, bringing together a new coalition of investors to press food retailers and manufacturers to consider their impacts on nutrition, especially childhood obesity.

The income of the charity grew well in 2019 as did the size of the staff team. Considerable work was undertaken to strengthen and support the charity's leadership team, resulting in greater organisational stability, more disciplined decision making, and a stronger team culture.

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

The staff in ShareAction have worked highly effectively through the year, inspiring the active support of numerous civil society allies and individual volunteers through AGM season. Similarly, the staff team has built the confidence of the major investors and companies with whom we work closely, whilst acting as critical friends. Our standing is high with all these important stakeholders.

Following an open recruitment process, three high quality and experienced new trustees joined the board at the end of the financial year. 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.

Overall, as I look back on 2019 and ahead at ShareAction's exciting plans for the future, I am hugely positive about the organisation's ability to sustain its strong track record. The Covid-19 pandemic will no doubt bring challenges to the running of our organisation, but equally the pandemic's global effects make our work with powerful investors and companies more important than ever as we look to ensure a fair and just recovery.

Report of the Chair of the Board Year to 31 January 2020

We have reached a tipping point in public awareness. The environmental and social problems that engulf us have to some considerable extent been caused by inaction and indifference to the very significant work of institutional investors. It was Ralph Waldo Emerson who wrote:

“ 'T is the day of the chattel

Web to weave, and corn to grind;

Things are in the saddle,

And ride mankind.”

I am delighted and honoured to support the team getting humanity back into the saddle.

A handwritten signature in grey ink, appearing to read 'P. Dickinson', with a stylized flourish at the end.

Paul Dickinson

Chair

Trustees' report Year to 31 January 2020

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 2020.

The financial statements have been prepared in accordance with the accounting policies set out on pages 23 to 25 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 2019/20 we delivered the following:

UK Policy

2019 was a busy year for our policy work within the UK. Following on from the Government's changes to the law around Environmental, Social and Governance (ESG) considerations and stewardship for trust-based pension schemes, we responded to the Financial Conduct Authority's consultation and work on implementing equivalent requirements for contract-based providers, which they committed to do.

Another long-standing area of focus for ShareAction has been the UK Stewardship Code – we have engaged with the Financial Reporting Council on this Code for a number of years. In 2019, we did a lot of work focused on the proposed revision of the Code, and were pleased to see a much stronger Code published in October.

On the theme of stewardship, in 2019, our CEO worked with leaders in the asset management industry with a view to developing recommendations for best practice. ShareAction also participated in a working group convened by DWP and the Pensions Regulator to develop guidance for how pension funds can improve their TCFD/climate reporting. This guidance is being consulted on in 2020.

ShareAction has continued to work on the topic of green finance. In 2019, we gave oral evidence to the Treasury Select Committee's inquiry on this topic. We have continued to engage with policymakers across the political parties on our recommendations around green finance. We have also briefed them on our work on the investment sector and wider social issues, to help raise awareness of the impact the sector has. We worked with UK100, another NGO, to set up a cross party All Party Parliamentary Group on Sustainable Finance, which was formally established at the start of 2020. As the Pension Schemes Bill started in the House of Lords in March 2020, we prepared a briefing for peers in early 2020 setting out our recommendations for this legislation.

We started to consult a wide range of stakeholders about the idea of bringing together our policy recommendations as a draft "Responsible Investment Bill", which we feel is an interesting and effective way to present our work as a package. The Bill will be launched in 2020. We have also been working with a coalition of NGOs interested in working together on asks/recommendations on green finance in light of COP26.

EU Policy

A major event for ShareAction's EU policy team was delivered in late February in Brussels. We welcomed an audience of over 200 to the launch of a set of policy proposals designed to advance the sustainable finance agenda at EU level over the 5 years of the forthcoming new Commission. Commissioner Valdis Dombrovskis, responsible for financial services within the Commission, was the headline speaker, responding positively to the proposals alongside an impressive line-up of civil society leaders, investment sector CEOs and senior representatives of member states governments based in Brussels. The launch event and publication served to strengthen ShareAction's growing reputation in Brussels for thought-leadership and effective advocacy on responsible finance.

Investor Strategies (continued)

EU Policy (continued)

2019 saw key legislative files that our Brussels based policy manager, Eleni Choidas, had been working on for the last year, namely the Sustainable Finance Taxonomy and the Disclosure Regulation, pass into law. ShareAction's efforts to engage Commission officials and MEPs on the technical details of these important legislative initiatives bore fruit. Whilst we did not secure all the amendments we hoped to see adopted, we had a number of successes and the overall outcome places the EU vastly ahead of any other region of the world, effectively setting a global standard for institutional investor accountability, transparency and responsibility. ShareAction's decision to establish a team in Brussels and a new legal entity in Belgium has been firmly justified by events in 2019.

An area of somewhat slower progress during 2019 where we will maintain focus in 2020 is the EU's work on investors' legal duties. ShareAction has long-standing expertise on fiduciary duties and we have been looking to ensure a helpful legal regime at EU level concerning the rights and responsibilities of institutional investors. We remain hopeful a good outcome can yet be achieved.

During the year, ShareAction joined the Alliance for Corporate Transparency, a group of NGOs working together to push for a review of the Non-Financial Reporting Directive in the next Commission's mandate. The Commission committed during 2019 to a thorough review of the Directive and we have worked closely with allies in civil society and in the investment sector to influence the Commission's approach in ways that deliver ShareAction's strategic goals.

During 2019, we organised a series of five civil society and investor workshops across European capitals, designed to inform and engage relevant stakeholders in these cities about the importance of the sustainable finance legislative agenda in Brussels. These events were well received and well attended, and helped further establish ShareAction as an expert organisation on RI related developments in Brussels. This programme of events links well with the work of the European RI Network, on which further detail is provided below.

Investor Research and Engagement

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

Will Employees Benefit? (February 2019): We surveyed and evaluated the Defined Contribution pension schemes of 25 FTSE 100 companies and offered recommendations for improving their approach to responsible investment.

Insuring a Low Carbon Future (September 2019): This is an in-depth study of the policies and practices of 14 globally leading insurers in respect of their approach to climate change. It explores how climate awareness is being integrated into underwriting, investment, and group-wide risk management practices. In addition to exploring common barriers, it also presents a practical framework of eight building blocks relevant for insurers introducing and developing climate strategies.

Investor Strategies (continued)

Investor Research and Engagement (continued)

Is Regulation Enough? (December 2019): We reviewed the largest 16 UK master trusts' ESG policies. Following the recent change in the law, these schemes have all had to publish new policies and we assessed these to see if they were fit for purpose. We made a number of recommendations to schemes and to policymakers about how to improve RI standards in the master trust sector.

In 2019, we undertook research for two ambitious international surveys, with findings published in Spring 2020: (1) a survey of 75 of the world's largest asset managers and (2) a survey of Europe's 20 largest banks.

We continued through the year to interact with asset managers and asset owners regarding our corporate strategies and shareholder activism in the areas of climate change, Healthy Markets and Good Work. Starting in October, we started intensive engagement with investors on our shareholder resolution at Barclays (see Corporate Strategies).

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 fossil fuels sector

We continued to put pressure on oil majors BP and Shell regarding their lack of ambition regarding decarbonisation targets and inclusion of Scope 3 targets. We supported preparations for filing of resolutions at BP, Exxon, Glencore and BHP.

<2°C alignment of the banking sector

Through 2019, we continued to engage closely with European banks whom we surveyed in 2017. We worked closely with investors on this, for example drafting and coordinating a letter to HSBC signed by a range of large investors in the bank calling for a significant strengthening in the bank's approach to high carbon financing.

Corporate Strategies (continued)

<2°C alignment of the banking sector (continued)

As noted above, we prepared and conducted a follow up survey on the sustainability performance of Europe's 20 largest banks, which was published in May 2020 (*Banking on a Low-Carbon Future II*).

We also originated a resolution at Barclays plc, asking the bank to plan decarbonisation of its business regarding utilities and energy sectors. We managed to find support from 11 asset owners and more than 140 individual investors. The resolution was publicly announced on 8th January, securing global coverage. We then found a range of investors in Barclays who were willing to pre-declare their support for our resolution at the AGM in May 2020. Despite Barclays offering a weaker counter-resolution that passed with a large majority, the ShareAction-backed resolution still secured the support of 24% of investors.

Investor Decarbonisation Initiative (IDI)

We continued our programme of sending investor-coalition signed letters to companies asking them to join EV100, EP100, RE100 or SBTi. We wrote two investor briefing notes on Shipping and Cement, which we discussed with investors.

Workforce Disclosure Initiative (WDI)

In its third year, the WDI welcomed submissions from 118 (up from 90) companies from 17 countries, including first time submissions from South Africa, Brazil and Russia. Submissions covered 10 million people employed in companies' direct operations and many more in supply chains.

During 2019, WDI grew its investor coalition to 138 (up from 120) investors with \$14tn AUM (up from \$13tn); held a first WDI conference; developed a corporate – investor engagement workstream on salient workplace topics; undertook a comprehensive review of the survey and positioned itself for growth in the US.

Facing the end of the three years of funding from DFID, WDI has developed an investor fee model, and is moving to secure a one-year bridging grant from DFID to position itself for operational independence. WDI is looking to achieve operational independence from ShareAction, with potential models and options to achieve this being examined in 2020.

Living Wages in the UK

In 2019, ShareAction's Good Work Advocacy team continued to campaign for companies to pay the Living Wage. 41 (up from 38) companies in the FTSE 100 are now accredited Living Wage employers. The investor coalition supporting this work has grown to 30 (up from 24) investors with \$2.4 trillion of assets under management.

Beyond Living Wages, the Good Work Advocacy team submitted a funding proposal to Trust for London (£120,000 over 3 years) to broaden the issues we address to cover insecure work and gender equality. In the future, we also want to ensure our work is increasingly internationally focused.

Corporate Strategies (continued)

Living Wages in the UK (continued)

The team are developing relationships with a range of civil society partners including: Living Wage Foundation, Equality Trust, IWGB, Neon, Organise & Fairtrade Foundation.

The team asked 28 questions on gender pay gap and companies' plans to "close the gap" at a wide range of company AGMs in 2019. We secured strong coverage for these efforts to hold poorly performing companies accountable.

Food and Health – Healthy Markets

Our new Food and Health team joined us in March 2019 to set up a Healthy Markets campaign, funded by Guy's and St Thomas' Charity. With the support of investors and advisory partners, including the Health Foundation, the Jamie Oliver Foundation and Esmée Fairburn Foundation, the campaign officially launched in May. Our priorities for year one were to build an investor coalition, attend UK supermarkets' AGMs and develop a new methodology to assess their performance in supporting their customers to eat a healthier diet and tackle childhood obesity.

By the year-end, we had 16 investors signed up to the coalition, with combined assets under management of \$1 trillion. These investors have committed to working collaboratively to engage with food retailers and manufacturers. We attended the AGMs and asked questions of all publicly listed UK supermarkets, and held constructive follow up meetings with all. In partnership with the Access to Nutrition Initiative, we developed a 'UK Supermarket Spotlight' report – the first of its kind to assess these companies' public commitments to support healthier eating and tackle childhood obesity. Once published this analysis will be used to identify tailored asks of each company and will inform the basis of our engagement via the investor coalition in 2020.

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 have had a good year of consolidation for this network of civil society organisations spanning Europe. We held a pan-European conference in Brussels in February 2019 with almost 100 participants. We facilitated discussions around how civil society can better influence sustainable finance policy at EU level and in European states. The conference was a valuable opportunity for people working in different countries on this theme to connect, confer and strategise together.

Movement-building Strategies (continued)

The European Responsible Investment Network (ERIN) (continued)

The network secretariat continues to provide training and coordination on a range of topics spanning shareholder advocacy, EU sustainable finance policy, and thematic and technical topics. We directly coordinated 9 AGM interventions across five countries outside the UK in the 2019 AGM season, and saw a continuation of successful collaborations launched in 2018. Continued pressure on the European Parliament from ERIN members saw MEPs propose to widen the scope of the taxonomy beyond environmental issues, following letters signed by ERIN NGOs calling for this expanded mandate.

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

The major development in 2019 for our work with smaller asset owners was launching a new 'sister' network to CRIN, the 'Responsible Investment Network – Universities', working with the higher education sector. The CRIN secretariat team and both networks have correspondingly grown, finishing the year with a team of 1.8 staff spread across three people, 20 CRIN members and 6 RINU members.

We hosted nine events or webinars during the year, with good levels of member attendance. We published two reports, with a high level of member input and engagement:

- ◆ [‘Another Link in the Chain: Uncovering the Role of Proxy Advisors’](#), which introduces the topic of proxy advisors and their role in the investment system.
- ◆ [‘Another Link in the Chain: Uncovering the Role of Proxy Advisors in Investor Voting’](#), follows that report, and analyses proxy advisors' recommendations on environmental, social and lobbying shareholder resolutions, compared to 23 asset managers' voting decisions.

We produced 'CRIN Asset Manager Reports' on the RI performance of 24 commonly used charity asset managers, to help our members understand the strengths and weaknesses of their asset managers, and to push them to raise RI standards. As a result of this work, members continue to engage with their asset managers on a wide range of environmental, social and governance themes, individually and collaboratively.

Work with individual savers

We conducted initial work in Jan-May with the external consultant Purpose to run an 'R&D Lab' exploring potential for large-scale engagement with individuals on the topic of pensions. We then built a new web platform, entirely re-thinking our approach to engagement and developing/testing a new set of messaging. This was launched in September. Since that point, we have been testing how we promote the platform, engage viewers, and translate education on responsible investment in pensions into action.

AGM Activism

ShareAction asked 101 questions at 78 AGMs in 2019. We delivered nine training sessions, and helped 15 other organisations attend AGMs. 2019 was a year of variety – ShareAction helped to facilitate a whole range of organisations to ask their own questions at AGMs, as well as holding 78 companies to account on issues raised by ShareAction campaigns. It was the first year of AGM attendance for the Healthy Markets team, and our AGM activists allowed for great engagement with companies all over the UK and beyond.

Risk management

The Covid-19 situation means that we face significant uncertainties in the months and potentially years ahead, and our risk management processes will help us identify and manage risks emerging because of the crisis. Immediate challenges that we are already facing include:

- ◆ Moving to a remote working model for our team, and managing the associated practical, and health and well-being issues.
- ◆ Reviewing commitments to our funders and the impact that Covid-19 is having on meeting funder commitments as originally envisaged.
- ◆ Ensuring our work remains relevant and impactful in a post-Covid world.

At the outset of the outbreak our leadership team undertook a risk analysis against which mitigating actions were put in place, and regular reporting has been established to both our Finance, Audit & Risk Committee and the full Trustee Board.

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	Mitigation
Failure to attract funding and / or an over-dependence on restricted funds and / or key income sources	In 2019 we continued to increase the capacity of the fundraising team by involving staff from across the organisation 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 continues to diversify our income, specifically in the form of a major donor programme (which contributes to core funding) but also by looking at alternative funding models for programmes. We are also increasingly focusing our fundraising efforts on multi-year funding to ensure long-term security.
Staff recruitment, retention and development issues impact profile, delivery, reputation and fundraising ability	In 2019 we continued to build the leadership team through investment in staff and team coaching. We took steps to strengthen middle management capability, produced a new remuneration policy, benchmarked all staff salaries, and promoted several staff. We also increased wellbeing initiatives, promoted flexible working and offered enhanced learning and development opportunities.

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 £2,635,915 (2019 - £2,347,113) and an unrestricted deficit of £35,303 (2019 – surplus of £189,262).

The charity received grants and donations totalling £2,507,300 (2019 - £2,211,939). Of the 30 organisations making grants and donations (2019 – 37), 20 (2019 - 26) made restricted grants as shown in note 4 to the accounts, and 10 (2019 - 10) made unrestricted grants as shown in note 1 to the accounts. The charity received £121,670 in donations from individuals (2019 - £77,424) with the growth of this category of income having been a major focus in this financial year. The amount of cash held and cash equivalents had decreased slightly at year-end to £1,480,343 (2019 - £1,570,974).

In the current year 14 member organisations contributed fees amounting to £21,500 (2019 – 15 member organisations - £26,918). CRIN income decreased with 21 CRIN members contributing membership fees of £88,200 (2019 - 22 members contributing fees of £102,500).

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 2020, the charity held unrestricted funds of £774,201 (2019 - £809,504) and £nil restricted funds (2019- £nil). After adjusting for the net book value of tangible fixed assets, and excluding those reserves which have been designated, free reserves stood at £770,770 (2019 - £806,720 This level of free reserves is equal to 3.0 months' expenditure based on our average monthly budgeted spend for 2020/21 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. This resulted in a new strategic framework comprising four long-term goals related to our core charitable activities and a series of organisational and operational goals designed to ensure our sustainability and stability as an organisation. During late 2019 we worked to turn our strategic vision into a more detailed business plan with targeted outcomes for the coming year. Quarterly reporting to the trustees is now based on this business plan and the longer-term strategic goals agreed in 2019. While the Covid-19 outbreak has meant that we have had to review these plans and priorities, it does not fundamentally alter our objectives nor our activities. But we continue to adapt and flex our plans in view of a post-Covid world and this is particularly relevant for areas where our work may be most impacted but also impactful, such as around public health and decent work.

Future plans (continued)

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 (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.

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 2020/21 a number of trustee positions are becoming available; new trustees will be recruited with the future strategy of the charity in mind.

Structure, governance and management (continued)

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 two committees of Trustees, the Finance, Audit, Risk and Controls Committee (FARC) and the HR and Governance Committee. These committees meet four to six weeks prior to meetings of the Board and report thereto.

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 2019/20. 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
Stephen Davis	Resigned April 2019
Paul Dickinson	
Emma Howard Boyd	Resigned January 2020
Mick McAteer	Resigned April 2019
Jane Cooper	
Rob Ryan	
Lisa (Rebecca) Warren	
Olivia Dickson	Appointed January 2020
Shipra Gupta	Appointed January 2020
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: 25 September 2020

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 2020 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 2020 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.

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. 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

9/10/20

Statement of financial activities Year to 31 January 2020

	Notes	Unrestricted funds £	Restricted funds £	Total 2020 £	Unrestricted funds £	Restricted funds £	Total 2019 £
Income:							
Donations	1	583,763	—	583,763	421,340	—	421,340
Other trading activities	2	115,360	—	115,360	129,418	—	129,418
Investment income	3	634	—	634	376	—	376
Charitable activities	4	—	1,923,537	1,923,537	—	1,790,599	1,790,599
Other income		12,621	—	12,621	5,380	—	5,380
Total income		712,378	1,923,537	2,635,915	556,514	1,790,599	2,347,113
Expenditure:							
Cost of raising funds	5	83,719	—	83,719	164,716	—	164,716
Expenditure on charitable activities	5	663,947	1,923,537	2,587,484	202,031	1,790,599	1,992,630
Total expenditure		747,666	1,923,537	2,671,203	366,747	1,790,599	2,157,346
Net income before losses on investments		(35,288)	—	(35,288)	189,767	—	189,767
Net losses on listed investments		(15)	—	(15)	(505)	—	(505)
Net income for the year and net movement in funds		(35,303)	—	(35,303)	189,262	—	189,262
Reconciliation of funds:							
Total funds brought forward at 1 February 2019		809,504	—	809,504	620,242	—	620,242
Total funds carried forward at 31 January 2020		774,201	—	774,201	809,504	—	809,504

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

Balance sheet Year to 31 January 2020

	Notes	2020 £	2020 £	2019 £	2019 £
Fixed assets					
Investments	8		<u>3,431</u>		<u>2,784</u>
			3,431		2,784
Current assets					
Debtors	9	365,443		110,809	
Cash at bank and in hand		<u>1,480,343</u>		<u>1,570,974</u>	
		1,845,786		1,681,783	
Creditors: amounts falling due within one year	10	<u>(1,075,016)</u>		<u>(875,063)</u>	
Net current assets			<u>770,770</u>		<u>806,720</u>
Total net assets			<u>774,201</u>		<u>809,504</u>
The funds of the charity:					
Restricted funds	11		—		—
Unrestricted income funds					
. General fund			774,201		809,504
. Designated funds	13		—		—
			<u>774,201</u>		<u>809,504</u>

The financial statements were approved by the Board of Directors on 25 September 2020 and signed on their behalf by:



Print name: Paul Dickinson

Registered Company Number: 05013662

Statement of cash flows Year to 31 January 2020

	Notes	2020 £	2019 £
Cash flows from operating activities:			
Net cash (used in) provided by operating activities	A	(90,603)	816,654
		(90,603)	816,654
Cash flows from investing activities:			
Investment income		634	376
Purchase of investments		(564)	(672)
Net cash generated by (used in) investing activities		70	(296)
Change in cash and cash equivalents in the year		(90,653)	816,358
Cash and cash equivalents at 1 February 2019	B	1,571,313	754,955
Cash and cash equivalents at 31 January 2020	B	1,480,780	1,571,313

Notes to the statement of cash flows for the year to 31 January 2020

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

	2020 £	2019 £
Net movement in funds (as per the statement of financial activities)	(35,303)	189,262
Adjustments for:		
Losses on investments	15	505
Investment income	(634)	(376)
(Increase) decrease in debtors	(254,634)	89,279
Increase in creditors	199,953	537,984
Net cash (used in) provided by operating activities	(90,603)	816,654

B Analysis of cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	1,480,343	1,570,974
Cash held by investment managers	437	339
Total cash and cash equivalents	1,480,780	1,571,313

Principal accounting policies Year to 31 January 2020

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 in 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

Principal accounting policies Year to 31 January 2020

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

Principal accounting policies Year to 31 January 2020

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 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
Donations			
. Prism – The Gift Fund	25,000	—	25,000
. Donations from individuals	121,670	—	121,670
Total 2020	583,763	—	583,763
	<i>Unrestricted funds £</i>	<i>Restricted funds £</i>	<i>Total 2019 £</i>
<i>Grants and donations received</i>			
<i>Grants</i>			
. <i>The Joseph Rowntree Charitable Trust</i>	<i>32,083</i>	<i>—</i>	<i>32,083</i>
. <i>Esmée Fairbairn Foundation</i>	<i>100,000</i>	<i>—</i>	<i>100,000</i>
. <i>Generation Foundation</i>	<i>50,000</i>	<i>—</i>	<i>50,000</i>
. <i>The Tudor Trust</i>	<i>35,000</i>	<i>—</i>	<i>35,000</i>
. <i>Friends Provident Foundation</i>	<i>51,250</i>	<i>—</i>	<i>51,250</i>
. <i>The Polden-Puckham Charitable Foundation</i>	<i>1,250</i>	<i>—</i>	<i>1,250</i>
. <i>The John Ellerman Foundation</i>	<i>3,333</i>	<i>—</i>	<i>3,333</i>
. <i>Unison</i>	<i>1,000</i>	<i>—</i>	<i>1,000</i>
. <i>Paul Hamlyn Foundation</i>	<i>20,000</i>	<i>—</i>	<i>20,000</i>
. <i>Frederick Mulder Foundation</i>	<i>10,000</i>	<i>—</i>	<i>10,000</i>
<i>Donations</i>			
. <i>Prism – The Gift Fund</i>	<i>40,000</i>	<i>—</i>	<i>40,000</i>
. <i>Donations from individuals</i>	<i>77,424</i>	<i>—</i>	<i>77,424</i>
<i>Total 2019</i>	<i>421,340</i>	<i>—</i>	<i>421,340</i>

2 Other trading activities

	Unrestricted	
	Total 2020 £	Total 2019 £
Full members		
CAFOD	2,000	2,000
Christian Aid	833	2,000
CWU	—	2,000
Friends of the Earth	500	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	2,000	1,668
National Council for Voluntary Organisations	1,000	1,000
TSSA	1,000	1,000
Greenpeace	2,000	2,000
Citizens UK	2,000	—
Other	167	3,250
	21,500	26,918
CRIN Membership fees		
Barrow Cadbury Trust	5,000	5,000
Comic Relief	5,000	5,000
Esmée Fairbairn Foundation	5,825	5,000
Friends Provident Foundation	4,625	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	1,250	5,000
The Baring Foundation	5,000	5,000
The Joseph Rowntree Charitable Trust	2,083	5,000
The Joseph Rowntree Foundation	5,000	5,000
The Polden-Puckham Charitable Foundation	4,625	5,000
Trust for London	5,000	5,000
WWF-UK	4,917	5,000
Guy's and St Thomas' Charity	5,550	5,000
John Ellerman Foundation	5,000	5,000
The Health Foundation	5,367	4,583
The Tudor Trust	—	4,167
The Ashden Trust	—	2,500
Save the Children Fund	5,000	1,667
Guild of St George	1,875	—
Thirty Percy Foundation	833	—
The Nuffield Foundation	1,250	—
Other	—	9,583
	88,200	102,500
RINU Membership Fees		
The University of Edinburgh	1,525	—
University of Leeds	1,250	—
Imperial College London	1,250	—
St. Anne's College, Oxford	1,125	—
The University of Cambridge	510	—
	5,660	
Total	115,360	129,418

3 Investment income

	Unrestricted	
	Total 2020 £	Total 2019 £
Bank interest receivable	447	269
Dividends receivable	187	107
Total	634	376

4 Income from charitable activities

	Restricted	
	Total 2020 £	Total 2019 £
Department for International Development	506,700	433,752
Finance Dialogue / European Climate Foundation	394,965	376,468
Guy's and St. Thomas' Charity	276,150	22,837
KR Foundation	245,659	119,161
IKEA / New Venture Fund	175,705	49,787
We Mean Business/ New Venture Fund	119,848	100,354
The Climate Change Collaboration (Ashden Trust; JJ Charitable Trust; Mark Leonard Trust; Tedworth Charitable Trust)	71,500	64,334
Barrow Cadbury Trust	35,200	26,400
Hewlett Foundation	18,500	236,695
Transforma	17,850	—
Arcus Foundation	12,500	2,500
City Bridge Trust	10,125	40,250
WWF – UK	10,000	2,500
Unison	9,167	18,333
JMG Foundation	5,000	25,000
Franciscan Missionaries of the Divine Motherhood	5,000	4,167
Jesuits in Britain	5,000	—
Handmaids of the Sacred Heart of Jesus	2,000	—
Marmot Trust	1,668	—
Stephen Davis	1,000	—
ClientEarth	—	137,497
Rockefeller Brothers fund	—	67,153
Climate Works	—	24,345
Joseph Rowntree Foundation	—	11,712
Institute of Christian Education Trust Jesuits in Britain	—	10,000
Friends Provident Foundation	—	6,250
Trust for London	—	3,104
Christian Education Trust	—	3,000
Capuchin Franciscans	—	2,000
Handmaids of the Sacred Heart of Jesus	—	2,000
Institute of Our Lady of Mary	—	1,000
Total 2020	1,923,537	1,790,599

Notes to the financial statements Year to 31 January 2020

5 Expenditure

	Raising funds £	Campaigning and education £	Total 2020 £
<i>Direct costs</i>			
Staff costs (note 6)	—	1,438,080	1,438,080
Research & communication	—	302,849	302,849
	—	1,740,929	1,740,929
<i>Support costs</i>			
Staff costs (note 6)	148,382	413,473	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	5,969	60,419	66,388
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	675	6,825	7,500
	181,534	748,740	930,274
Total	181,534	2,489,669	2,671,203

	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
Total	164,716	1,992,630	2,157,346

5 Expenditure (continued)

The allocation of costs between funds was as follows:

	Unrestricted funds £	Restricted funds £	Total funds £
2020			
Raising funds	83,719	—	83,719
Campaigning and education	663,947	1,923,537	2,587,484
Total 2020	<u>747,666</u>	<u>1,923,537</u>	<u>2,671,203</u>
2019			
<i>Raising funds</i>	164,761	—	164,761
<i>Campaigning and education</i>	201,986	1,790,599	1,992,585
<i>Total 2019</i>	<u>366,747</u>	<u>1,790,599</u>	<u>2,157,346</u>

6 Particulars of employees

The average number of employees analysed by function was:

	2020 No.	2019 No.
Campaigning and education	33	23
Management and administration	10	11
Fundraising and communications	5	6
	<u>48</u>	<u>40</u>

	2020 £	2019 £
Wages and salaries	1,704,832	1,378,949
Social Security costs	169,963	131,486
Pension costs	128,628	104,586
	<u>2,003,423</u>	<u>1,615,021</u>

One employee earned between £80,001 and £90,000 per annum (2019 – one between £80,001 and £90,000) during the year.

No trustee received any remuneration for their services during the year (2019 – £nil). No trustees during the year received reimbursement for travelling expenses (2019 – one trustee during the year received reimbursement for travelling expenses via their employer organisation of £98).

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 £400,603 (2019 - £389,921).

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

	2020 £	2019 £
Listed investments		
Market value at 1 February	2,445	2,278
Additions at cost	564	672
Net unrealised losses / gains	(15)	(505)
Market value at 31 January	2,994	2,445
Cash held by investment managers for re-investment	437	339
	3,431	2,784
Cost of listed investments at 31 January	4,526	3,970

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

9 Debtors

	2020 £	2019 £
Trade debtors	295,233	47,896
Other debtors	41,658	37,258
Prepayments	28,552	25,655
	365,443	110,809

10 Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	9,821	69,165
Other taxes and social security costs	58,386	41,197
Accruals	48,983	32,290
Deferred income	934,933	704,413
Other creditors	22,892	27,998
	1,075,016	875,063

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

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

	2020 £	2019 £
Membership income	9,833	10,333
CRIN membership income	39,431	30,833
RINU membership income	21,041	—
Grant income	864,628	663,247
	934,933	704,413

11 Restricted funds

	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)	—

Notes to the financial statements Year to 31 January 2020

11 Restricted funds (continued)

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

12 Analysis of net assets between funds

Total funds are represented by:

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

12 Analysis of net assets between funds (continued)

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

13 Designated funds

The charity had no designated funds during the year. During the previous year designated funds set aside out of unrestricted reserves were utilised as follows:

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

During the year ended 31 January 2019 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 ended 31 January 2019 and was funded from core funding. As such the entirety of the designated funds was transferred back to general funds in the year ended 31 January 2019.

14 Financial commitments

Land and building

At 31 January 2020, the charity had the following future minimum commitments in respect to non-cancellable operating leases:

	<i>Land and buildings</i>	
	2020	2019
	£	£
Payable within one year	32,633	32,633

14 Financial commitments (continued)

Equipment

At 31 January 2020, the charity had the following future minimum commitments in respect to non-cancellable operating leases:

	Equipment	
	2020	2019
	£	£
Payable within one year	731	2,194
Payable between one to two years	—	731
Payable between two to five years	—	—

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 £90,000 (2019: £51,250).

This comprises a donation of £90,000 (2019: £51,250) from Friends Provident Foundation. Friends Provident Foundation also gave a restricted donation of £0 (2019: £6,250), and paid £4,625 (2019: £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 (2019: £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.

18 Post Balance Sheet Events

Since the year end, the worldwide outbreak of the coronavirus pandemic (Covid-19) has caused extensive disruptions to organisations globally with major implications for operations as well as finances. The trustees acknowledge and recognise the impact of the Covid-19 pandemic on the operations of the charity, its beneficiaries, partners, stakeholders and on the wider society, and they have ensured that both resources and processes are in place to mitigate any disruption to the Trust. As a result the impact of Covid-19 pandemic does not warrant any adjustments to these financial statements.