

FAIRSHARE EDUCATIONAL FOUNDATION
(A Company Limited by Guarantee)

REPORT AND ACCOUNTS
FOR THE YEAR ENDED
31ST JANUARY 2013

Registered Company Number: 05013662

Registered Charity Number: 1117244



Croke, Vellacott & Hill
Chartered Accountants
Unit 3 Dock Offices, Surrey Quays Road
Surrey Quays, LONDON, SE16 2XU

FAIRSHARE EDUCATIONAL FOUNDATION
(A Company Limited by Guarantee)

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FAIRSHARE EDUCATIONAL FOUNDATION
(A Company Limited by Guarantee)

LEGAL AND ADMINISTRATIVE INFORMATION

BOARD OF TRUSTEES AND DIRECTORS

Jenine Langrish (Chair from 3 September 2012)
Nicholas Tatman (Treasurer)
Stephen Davis
Caroline Instance
Roger Jeary
Mick McAteer
Jeremy Nicholls (Chair to 3 September 2012)
Lenka Setkova

SECRETARY

Louise Rouse

CHIEF EXECUTIVE

Catherine Howarth

CHARITY NAME

Fairshare Educational Foundation
(Trading as ShareAction)

PRINCIPAL AND REGISTERED OFFICE

Ground Floor
16 Crucifix Lane
LONDON
SE1 3JW

AUDITORS

Cocke, Vellacott & Hill
Unit 3 Dock Offices
Surrey Quays Road
Surrey Quays
LONDON SE16 2XU

SOLICITORS

Wrigleys
19 Cookridge Street
LEEDS
LS2 3AG

BANKERS

Unity Trust Bank plc
Nine Brindleyplace
Birmingham
B1 2HB

REGISTERED COMPANY NUMBER

05013662

CHARITY REGISTRATION NUMBER

1117244

FAIRSHARE EDUCATIONAL FOUNDATION
(A Company Limited by Guarantee)

REPORT OF THE CHAIR OF THE BOARD

As chair of the trustees, I'm proud to report that ShareAction (which was still called FairPensions during the financial year 2012/13) benefited from growth in our income to a record level of £371,390. This enabled us to invest in building our high quality staff team and through them to deliver another strong year of research, campaigning and educational work. We are grateful to our funders and member organisations for their continued support.

Here are just some of the highlights of 2012/13; further detail is provided in the report that follows:

Our research and proposals on investors' fiduciary duties continued to generate debate and influence thinking. In particular we were pleased that Professor Kay recognised 'powerful evidence from FairPensions' in his report for government on *UK equity markets and long-term decision making*. We were gratified that his recommendations focused in on investors' legal duties and we continue to take a leading role in the latest phase of policy development in this area, particularly the Law Commission's Review.

We also made a well recognised contribution to the national debate on executive remuneration, highlighting to pension funds and their members the importance of close scrutiny of fund managers' voting decisions at company AGMs. In the Autumn, we published an analysis of the votes cast on executive pay by fund managers at a selection of the year's most controversial AGMs. This demonstrated that solid evidence of a 'shareholder spring' in 2012 was slim and confirmed the need for pension providers to maintain a watchful eye on how votes are cast on behalf of scheme members.

In addition to our work on directors' pay we maintained strong momentum in our advocacy for Living Wage standards in the UK operations of FTSE 100 companies. Five more companies committed to become Living Wage employers. Our work on Living Wages was recognised when we were highly commended in the 2012 Charity Awards.

During the year we began work, which continues, on several new topics including companies' transparency on their tax arrangements and Shell's exploration and drilling plans in the Arctic. On all these themes, the ShareAction team demonstrated their skill in bringing succinct and well organised evidence to the investment community thereby influencing investors' thinking and their dialogue with investee companies. This skill is increasingly valued by our allies and partners in civil society. Five new organisations joined during the year - a positive sign of the value attached to our distinctive approach to securing social change.

Education continued to be a high priority for us during the year. We initiated a new training programme for Workplace Responsible Investment Champions and doubled the number of people trained in how to ask an effective question at a company AGM. Our supporters and trainees were a notable presence throughout company AGM season, securing helpful and positive answers from a wide range of large listed companies. This AGM work attracted significant media coverage not least on the BBC News at Ten, in the Financial Times and The Guardian.

Finally, a positive new development in the year was outreach to charity investors, particularly endowed trusts, a growing number of whom wish to invest responsibly and use their influence as shareholders to encourage the highest social and environmental standards in the corporate sector.

I am honoured to chair a charity which I believe punches way above its weight in terms of impact. We aim not only to promote change ourselves, but also to be a catalyst for change by empowering our partner organisations, individual pension fund members, and the activists whom we train. It is by doing this that we are able to extend our reach and build an effective movement for change. If you have not worked with us in 2012/13 we hope you will consider doing so in future. If you have, we thank you for your support and look forward to campaigning alongside you in the coming year.

JENINE LANGRISH
Chair

FAIRSHARE EDUCATIONAL FOUNDATION
(A Company Limited by Guarantee)

REPORT OF THE TRUSTEES

For the year ended 31st January 2013

The Trustees present their report together with the audited accounts of the charitable company for the year ended 31st January 2013. The accounts comply with current statutory requirements, the requirements of the charitable company's governing document and the requirements of the SORP "Accounting and Reporting by Charities (revised 2005)". This report combines the Trustees' annual report for the purposes of the Charities Act 1993 and the directors' report for the purposes of the Companies Act 2006.

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 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 Memorandum and Articles of Association. Any retiring trustee may be reappointed provided that their period in office does not exceed six consecutive years.

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

Jenine Langrish	(chair from 3 September 2012)
Sam Clarke	(retired at end of term on 21 November 2012)
Adrian Cruden	
Caroline Instance	
Roger Jeary	
Jeremy Nicholls	(chair to 3 September 2012)
Jennifer Morgan	(retired at end of term on 21 November 2012)
Lenka Setkova	

Following the year end Adrian Cruden and Jeremy Nicholls resigned as trustees (and directors of the company) on 18 April 2013 and Stephen Davis, Nicholas Tatman and Mick McAteer were appointed as trustees (and directors of the company) on the same date.

Risk management

The trustees consider the greatest risk and uncertainty facing the charitable company to be its dependence on a narrow range of major sources of funding and the cash-flow problems that could thereby ensue. Secondary only to these is the risk of inadequate returns on continuing fundraising. The next most significant risks are the loss of key personnel and the impact of legal action. The board continues to review these risks on a regular basis and works to ensure they are appropriately minimised.

REPORT OF THE TRUSTEES (continued)
For the year ended 31st January 2013

OBJECTIVES AND ACTIVITIES

FairPensions' (now called ShareAction) core charitable objective is the promotion of 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 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.

During the financial year ended 31st January 2013, these objectives were fulfilled by undertaking the following range of activities:

- Engaging with institutional investors and their investee companies on the a wide range of social and environmental themes including Living Wage standards, executive compensation, corporate tax policy and transparency, operational risks and environmental impacts in the oil industry, human trafficking, and the protection of digital human rights.
- Publishing draft legislation to clarify the fiduciary duties of institutional investors; publishing a ranking of ethical investment funds in the UK; publishing an analysis of the votes cast in 2012 by asset management firms on controversial executive pay proposals; publishing an analysis of the investor stewardship capability of insurance companies offering pension products; and publishing a report on governance gaps in contract-based pension funds.
- Submitting eleven detailed responses to public consultations run by regulatory bodies and government departments. On the basis of several of these submissions we were invited to discuss our ideas and analysis with senior figures in government and the regulatory community, including with government ministers.
- Training grassroots supporters in techniques for asking effective questions at company AGMs, and organising for our staff and supporters to attend 34 company AGMs to pose questions to the boards of directors on a wide range of topics.

ACHIEVEMENTS AND PERFORMANCE

Significant achievements during the year included the following:

- Eighty people attended training (3 training days) in how to ask questions at company AGMs (more than double the previous year). Consequently our staff and supporters were a noted presence at the AGMs of 36 FTSE 100 companies asking polite, well researched questions. The result of this activity was that topics of interest to civil society organisations became better understood and acknowledged in British boardrooms.
- Our major project during the year focused on executive compensation. It was already a high profile topic due to the passage of legislation through Parliament giving shareholders binding votes on pay. We prepared a briefing for pension funds setting out the case for close attention to the votes cast on pay by their asset managers and highlighting five examples of poor remuneration practice which nevertheless frequently occur. At the same time we launched an on-line tool enabling pension savers to contact their funds proposing greater vigilance and more robust voting against excessive pay proposals for company directors. The project secured significant media coverage, highlighting the role we play in scrutinising institutional investors who act on behalf of UK savers. In the Autumn we published The Missing Link, a report making the case for policy measures to make institutional investor votes more transparent. This report was launched at a well attended Parliamentary seminar.

REPORT OF THE TRUSTEES (continued)
For the year ended 31st January 2013

ACHIEVEMENTS AND PERFORMANCE (continued)

Significant achievements during the year included the following:

- We were active in dialogue with investors and companies on many other issues. With US ethical investors we reached out to companies involved in the 2012 London Olympics to discuss their policies on human trafficking. This resulted in acknowledgement of the risks and the impacts of human trafficking by four of those companies. Our work on Living Wage standards continued with the biggest win of the year being HSBC's decision to extend Living Wages across its UK operations. The result of this decision is 3000 people now earn a Living Wage, mostly staff of HSBC's sub-contractors. A growing topic of public interest in 2012 was company tax policy and transparency. In conjunction with Christian Aid we organised to attend and ask questions at 15 FTSE 100 companies about their position on country-by-country reporting of tax paid and the use of tax havens. This helped to ensure that tax policy is better scrutinised by board members of major companies. With Amnesty we began a project to focus investor attention on Shell's legacy and operations in the Niger Delta. The result was a burst of questions to the company stimulated by our investor briefing documents. Shell organised an investor trip to Nigeria towards the end of the year, following the growth in Nigeria-focused investor questions over the previous 6 months. With Platform and Greenpeace, we began work to build investor understanding about risks of oil development in the Arctic.
- We undertook a programme of work to better understand the responsible investment capabilities of insurance companies offering pension products. Our work has historically focused on trust-based pension funds but contract-based providers in the insurance sector are a growing part of the UK pensions market. Our report, The Stewardship Lottery, highlighted that insurance companies do a less good job of monitoring the investment funds provided on their pensions' platforms than trustees of the largest UK schemes. Our report made recommendations to insurance companies not least that they should sign the Stewardship Code in their capacity as asset owners. A second publication, Whose Duty?, developed public policy proposals for regulators and the DWP in relation to the governance gap found on the contract-based side of the pensions market. This latter publication has been very influential on DWP thinking in the subsequent year.
- We were pleased to develop greater engagement with charitable foundations in their capacity as investors during the year. A growing number of endowed charitable foundations recognise the relevance of responsible investment both to their financial sustainability and to their charitable goals. We expect this work to grow in the years ahead.
- Our profile grew amongst civil society organisations during the year with five new member organisations joining, including NGOs and trade unions. Membership fees remain a modest element of our overall budget but demonstrate the value which civil society organisations attach to our work.

2012/13 was our best year ever for media coverage. Company AGM season provided numerous opportunities to get both topic specific and broader messages across to the public on the BBC, Sky News and in mainstream and financial newspapers.

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 prompting institutional investors to improve their responsible investment policy and practice (see "achievements and performance", above) contributes to embedding better practice within the UK's investment community. The result is that corporate environmental and social impacts, and corporate compliance with legal and ethical standards, are more routinely and actively managed by investors.

FAIRSHARE EDUCATIONAL FOUNDATION
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REPORT OF THE TRUSTEES (continued)
for the year ended 31st January 2013

PUBLIC BENEFIT (continued)

FairPensions (now ShareAction) delivered public benefit in a variety of ways in 2012-13.

Our work on Living Wage standards has helped to reduce poverty by raising the wages of over 3500 of the lowest paid working people in the UK economy. Our work on oil company operations in the Arctic and in Nigeria helped to protect the environment by ensuring that higher standards of environmental risk management are observed. Our work on tax transparency is helping to ensure that a fair share of tax is paid in developing countries by major listed companies on the London stock exchange, which should contribute to development and poverty reduction in these countries.

Our training events helped to equip and support a growing network of individuals who want to use their investments as a leverage point for dialogue with companies about positive social and environmental policies.

Finally, our work also delivers financial and economic benefit: companies which pay close attention to their environmental footprint and which act conscientiously within the law and in line with international conventions on human rights are increasingly proving themselves to be a sound financial investment. FairPensions' work to promote responsible investment of pensions helps to safeguard the retirement savings of millions of working people in the UK.

FINANCIAL REVIEW

Membership income for the year was up on last year. Fifteen member organisations (including one associate member) contributed fees amounting to £24,100 (2012 – nine full members - £16,000) during the year. The charitable company received grants from seventeen organisations (2012 - fifteen) totalling £310,347 (2012 - £283,324) (including campaigning and education income). Of these ten grants were restricted as shown in note 2 to the accounts. In addition it received donations from its supporters of £32,796 (2012 - £29,646). Expenses amounted to £363,040 (2012 - £290,245) leaving a total surplus of £8,350 (2012 - surplus £39,532) to be transferred to reserves.

The Trustees consider the results to be satisfactory but are looking to expand the range of sources from which we secure income during the current year.

Reserves policy

It is the policy of the charitable company to try to ensure that the lowest level of general funds over the financial year is equivalent to approximately three months operating costs. The Board will review this policy at regular intervals to ensure that the level of free reserves maintained is adequate for the charitable company's purposes.

TRUSTEES' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the company and of the income and expenditure account of the company for that period. In preparing those financial statements, the directors are required to: -

- select suitable accounting policies and apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- follow applicable accounting standards
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

FAIRSHARE EDUCATIONAL FOUNDATION
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REPORT OF THE TRUSTEES (continued)
for the year ended 31st January 2013

AUDIT ENQUIRIES

In accordance with company law, as the company's directors, we certify that:

- So far as we are aware, there is no relevant audit information of which the company's auditors are unaware; and
- As the directors of the company we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

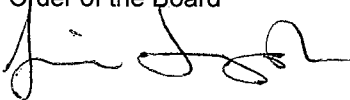
INDEMNITY INSURANCE

Indemnity insurance for the charity trustees and directors against any liability in connection with their roles in relation to the charitable company was in place at the year end and during the year under review.

AUDITORS

The auditors, Messrs. Cocke, Vellacott & Hill have expressed their willingness to continue in office and will be proposed for re-appointment in accordance with the provisions of the Companies Act 2006.

By Order of the Board



JENINE LANGRISH
Chair

9 October 2013

FAIRSHARE EDUCATIONAL FOUNDATION
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
FAIRSHARE EDUCATIONAL FOUNDATION**

We have audited the financial statements of Fairshare Educational Foundation for the year ended 31st January 2013 set out on pages 9 to 18. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Trustees' Responsibilities Statement set out on page 6 the trustees (who are directors for the purposes of company law) are responsible for the preparation and presentation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the trustees' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31st January 2013 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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.



COLIN BRAILEY (FCA) - Senior Statutory Auditor

For and on behalf of
COCKE, VELLACOTT & HILL
Statutory Auditor and Chartered Accountants
Unit 3 Dock Offices
Surrey Quays Road
LONDON
SE16 2XU

Date: 11th October 2013

FAIRSHARE EDUCATIONAL FOUNDATION
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31st January 2013

(Incorporating the income and expenditure account)

	Notes	Unrestricted Funds £	Restricted Funds £	Total Funds 2013 £	Total Funds 2012 £
INCOMING RESOURCES					
<i>Incoming resources from generated funds</i>					
<i>Voluntary income</i>					
Grants and donations	2	235,043	3,333	238,376	192,229
Membership subscriptions	2	24,100	-	24,100	16,000
<i>Investment income</i>					
Bank interest receivable		2,798	-	2,798	772
<i>Incoming resources from charitable activities</i>					
Campaigning and education	2	-	104,597	104,597	120,741
<i>Other incoming resources</i>		1,519	-	1,519	35
Total incoming resources		<u>263,460</u>	<u>107,930</u>	<u>371,390</u>	<u>329,777</u>
RESOURCES EXPENDED					
<i>Costs of generating funds</i>					
Costs of generating voluntary income	3	17,739	8,830	26,569	19,334
<i>Charitable activities</i>					
Campaigning and education	3	191,722	125,782	317,504	256,406
<i>Governance costs</i>	3	13,744	5,223	18,967	14,505
Total resources expended		<u>223,205</u>	<u>139,835</u>	<u>363,040</u>	<u>290,245</u>
NET INCOMING (OUTGOING) RESOURCES FOR THE YEAR		40,255	(31,905)	8,350	39,532
Reconciliation of funds					
Total funds brought forward		175,780	31,905	207,685	168,153
TOTAL FUNDS CARRIED FORWARD	9	<u><u>216,035</u></u>	<u><u>-</u></u>	<u><u>216,035</u></u>	<u><u>207,685</u></u>

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

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

The charitable company has no recognised gains and losses other than those included in the income and expenditure account above, and therefore no separate statement of total recognised gains and losses has been prepared.

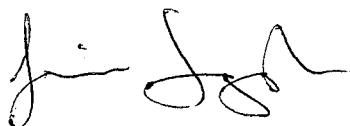
The notes on pages 11 to 18 form part of these accounts.

FAIRSHARE EDUCATIONAL FOUNDATION
(A Company Limited by Guarantee)

BALANCE SHEET
As at 31st January 2013

	Notes	2013 £	2012 £
FIXED ASSETS			
Tangible assets	6	1,375	1,530
CURRENT ASSETS			
Debtors	7	42,151	50,463
Cash at bank		238,882	191,851
Total current assets		281,033	242,314
LIABILITIES			
Creditors: Amounts falling due within one year	8	(66,373)	(36,159)
Net current assets (liabilities)		214,660	206,155
Total assets less current liabilities		216,035	207,685
FUNDS OF THE CHARITY			
Unrestricted income funds: General fund	9	216,035	175,780
Restricted income funds	9	-	31,905
Total charity funds	9	216,035	207,685

The Financial Statements were approved by the Board of Directors on 9 October 2013 and signed on their behalf by: -



JENINE LANGRISH - Chair of the Board of Directors

Registered Company Number: 05013662

The notes on pages 11 to 18 form part of these accounts.

FAIRSHARE EDUCATIONAL FOUNDATION
(A Company Limited by Guarantee)

NOTES TO THE ACCOUNTS

For the year ended 31st January 2013

1. Principal accounting policies

(a) **Basis of accounting**

The accounts of the charitable company are prepared under the historical cost convention. The accounts for the previous period are for the year ended on 31st January 2013. The financial statements are also prepared in accordance with applicable Accounting Standards, the Companies Act 2006 and with the recommendations of Statement of Recommended Practice "Accounting and Reporting by Charities" revised in 2005.

(b) **Cash flow statement**

The charitable company qualifies as a small company under the Companies Act 2006 and the Trustees have elected to take advantage of the exemption under FRS1 not to prepare a cash flow statement.

(c) **Incoming resources**

Incoming resources including grants received are recognised in the period in which the charitable company becomes legally entitled to the income and that income can be measured with reasonable certainty. Income is deferred if the donor specifies conditions that the income is to be expended in a future period.

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.

(d) **Resources expended**

Resources expended are recognised on an accruals basis in the period in which they are incurred. They include related VAT which cannot be fully recovered and is reported as part of the expenditure to which it relates:

- Costs of generating 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 those costs of an indirect nature necessary to support them.
- Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements. These include the audit fees and costs linked to the strategic management of the charity.

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

(e) **Tangible fixed assets**

Additions to computer equipment, furniture, fixtures and fittings are capitalised where material and depreciated over their useful lives.

Depreciation is provided at the following rates:

Computer equipment	-	25% per annum (on cost)
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(f) **Pensions**

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

(g) **Operating leases**

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

(h) **Taxation**

Provision for corporation tax is not necessary, as the company is a registered charity. 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.

(i) **Foreign currency**

Transactions in foreign currencies are translated into sterling at the exchange rate in operation on the date of the transaction. 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.

FAIRSHARE EDUCATIONAL FOUNDATION
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NOTES TO THE ACCOUNTS (continued)
For the year ended 31st January 2013

2. Analysis of incoming resources

<i>(a) Incoming resources from generated funds</i>	General Fund £	Restricted Fund £	Total 2013 £	<i>Total 2012 £</i>
Voluntary income				
Grants and donations received				
<i>Grants:</i>				
The Sigrid Rausing Trust	60,000	-	60,000	60,000
The City Bridge Trust	-	-	-	12,583
Friends Provident Foundation	-	3,333	3,333	20,000
The Joseph Rowntree Charitable Trust	30,417	-	30,417	30,000
Esmee Fairbairn	20,000	-	20,000	20,000
The Ashden Trust	15,000	-	15,000	20,000
Lankelly Chase	30,000	-	30,000	-
Barrow Cadbury Trust	25,000	-	25,000	-
The Tudor Trust	20,000	-	20,000	-
Holly Hill Charitable Trust	2,000	-	2,000	-
<i>Donations:</i>				
Donations from NGOs - Workers Beer Co. (written off)	(1,170)	-	(1,170)	1,170
Donation from Unions – Unison Midlands	1,000	-	1,000	-
Donations from individuals	32,796	-	32,796	28,476
<i>Total grants and donations</i>	235,043	3,333	238,376	<i>192,229</i>
Membership fees				
<i>Full members:</i>				
Unite – the Union	2,000	-	2,000	2,000
EIRIS	1,000	-	1,000	1,000
Oxfam	2,000	-	2,000	2,000
WWF – UK	2,000	-	2,000	2,000
Unison	-	-	-	2,000
Greenpeace	2,000	-	2,000	2,000
Christian Aid	2,000	-	2,000	2,000
Access	1,000	-	1,000	1,000
Citizens UK	2,000	-	2,000	2,000
CAFOD	2,000	-	2,000	-
CWU	2,000	-	2,000	-
Friends of the Earth	2,000	-	2,000	-
Prospect	2,000	-	2,000	-
TSSA	1,000	-	1,000	-
UCU	1,000	-	1,000	-
	24,000	-	24,000	16,000
<i>Associate members:</i>	100	-	100	-
<i>Total membership fees</i>	24,100	-	24,100	<i>16,000</i>

FAIRSHARE EDUCATIONAL FOUNDATION
(A Company Limited by Guarantee)

NOTES TO THE ACCOUNTS (continued)
For the year ended 31st January 2013

2. Analysis of incoming resources (continued)

<i>(b) Incoming resources from charitable activities</i>	General Fund £	Restricted Fund £	Total 2013 £	Total 2012 £
<i>Campaigning and education</i>				
Grant from The Nuffield Foundation	-	3,431	3,431	53,983
Network for Social Change	-	6,024	6,024	15,000
The Funding Network	-	24,225	24,225	-
Greenpeace	-	9,750	9,750	-
Amnesty International UK	-	16,000	16,000	-
Christian Aid	-	15,000	15,000	-
Friends of the Earth	-	2,167	2,167	-
Amazon Watch	-	27,000	27,000	-
CAFOD	-	1,000	1,000	-
Grant from Action Aid	-	-	-	9,000
Grant from Holly Hill Charitable Trust	-	-	-	2,000
Grant from Unison	-	-	-	15,000
Grant from Unite	-	-	-	21,500
ForestEthics	-	-	-	2,058
Incisive Financial Publishing	-	-	-	1,500
Tomorrow's Company	-	-	-	700
Total income from charitable activities	-	104,597	104,597	120,741

Income above is after allowing for deferred income as follows:

	Deferred b/f £	Received in year £	Deferred c/f £	Income as above £
Grants – The Sigrid Rausing Trust	5,000	60,000	(5,000)	60,000
Grants – Joseph Rowntree Charitable Trust	5,000	31,250	(5,833)	30,417
Grants – The Ashden Trust	15,000	-	-	15,000
Grants – Esmee Fairbairn Foundation	1,667	20,000	(1,667)	20,000
Grants – The Tudor Trust	-	40,000	(20,000)	20,000
Campaigning and education – Christian Aid	-	30,000	(15,000)	15,000
Campaigning and education – Friends of the Earth	-	3,250	(1,083)	2,167
Campaigning and education – Greenpeace	-	13,000	(3,250)	9,750
	26,667		51,833	

The amounts deferred above are shown as deferred income under creditors (note 8). The reasons for the deferral are explained under the accounting policies note 1(c).

FAIRSHARE EDUCATIONAL FOUNDATION
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NOTES TO THE ACCOUNTS (continued)
For the year ended 31st January 2013

3. Total resources expended	Costs of generating funds £	Campaigning and education £	Governance costs £	Total 2013 £	Total 2012 £
<i>Direct costs:</i>					
Staff costs (see note 4)	-	52,454	-	52,454	43,805
Other staff expenses	-	980	-	980	2,170
Research & communication	-	28,715	-	28,715	21,930
Fundraising	340	-	-	340	-
Auditors' remuneration					
Audit fee (including VAT)	-	-	1,848	1,848	1,764
Accountancy fees (including VAT)	-	-	852	852	816
Legal & professional fees	-	2,500	695	3,195	1,098
Travel & subsistence	-	203	698	901	746
<i>Support costs:</i>					
Staff costs (see note 4)	23,211	187,377	12,862	223,450	171,850
Other staff expenses	150	2,247	100	2,497	2,499
Legal and professional	-	-	-	-	-
Depreciation	58	862	38	958	1,016
Operating lease rentals (see note 10)	1,003	15,041	668	16,712	16,712
General office costs	1,003	15,047	669	16,719	16,619
Travel & subsistence	238	3,575	159	3,972	1,681
Website and ICT expenses	503	7,543	335	8,381	6,478
Bank charges	63	960	43	1,066	1,061
	<u>26,569</u>	<u>317,504</u>	<u>18,967</u>	<u>363,040</u>	<u>290,245</u>
<i>2012 Comparisons</i>	<u>19,334</u>	<u>256,406</u>	<u>14,505</u>	<u>290,245</u>	

Support costs are allocated on the basis of staff time.

4. Particulars of employees

	2013 No.	2012 No.
The average number of employees analysed by function was:		
Campaigning and education	8	6
Management and administration	1	1
	<u>9</u>	<u>7</u>
Their total remuneration was:		
	£	£
Salaries	237,696	184,040
Social security costs	23,755	19,586
Pension costs	14,453	12,029
	<u>275,904</u>	<u>215,655</u>

No employee earned more than £60,000 per annum (2012 – none).

No trustee received any remuneration for their services during the year (2012 – nil). Three trustees (2012 – two) received reimbursement for travelling expenses of £698 (2012 – £459).

FAIRSHARE EDUCATIONAL FOUNDATION
(A Company Limited by Guarantee)

NOTES TO THE ACCOUNTS (continued)
For the year ended 31st January 2013

5. Taxation

The company has been set up as a non-profit making charitable foundation and in December 2006 was registered as a charity and is therefore not liable to taxation on its charitable activities. Interest receivable by a charity is not liable to corporation tax and no tax has therefore been provided for.

6. Tangible fixed assets

	Computer equipment £	Total £
Cost or valuation		
Cost at 1st February 2012	7,979	7,979
Additions	803	803
	-----	-----
At 31st January 2013	8,782	8,782
	-----	-----
Accumulated depreciation		
Depreciation at 1st February 2012	6,449	6,449
Charge for the year	958	958
	-----	-----
At 31st January 2013	7,407	7,407
	-----	-----
Net book value 31st January 2013	1,375	1,375
	=====	=====
<i>Net book value 31st January 2012</i>	1,530	1,530
	=====	=====

All the tangible fixed assets are held for the charitable company's use.

7. Debtors

	2013 £	2012 £
Trade debtors	21,500	8,170
Other debtors	4,409	4,565
Prepayments	2,357	832
Accrued income	13,885	36,896
	-----	-----
	42,151	50,463
	=====	=====

8. Creditors: Amounts falling due within one year

	2013 £	2012 £
Trade creditors	3,875	1,207
Other taxes and social security costs	6,549	5,420
Other creditors	446	101
Accruals	3,670	2,764
Deferred income (see note 2)	51,833	26,667
	-----	-----
	66,373	36,159
	=====	=====

FAIRSHARE EDUCATIONAL FOUNDATION
(A Company Limited by Guarantee)

NOTES TO THE ACCOUNTS (continued)
For the year ended 31st January 2013

9. Total funds	Balance 1st February 2012 £	Incoming resources and gains £	Resources expended £	Transfers between funds £	Balance 31st January 2013 £
Restricted funds					
Friends Provident Foundation	-	3,333	(3,333)	-	-
The Nuffield Foundation	31,905	3,431	(35,336)	-	-
Network for Social Change	-	6,024	(6,024)	-	-
The Funding Network	-	24,225	(24,225)	-	-
Greenpeace	-	9,750	(9,750)	-	-
Amnesty International UK	-	16,000	(16,000)	-	-
Christian Aid	-	15,000	(15,000)	-	-
Friends of the Earth	-	2,167	(2,167)	-	-
Amazon Watch	-	27,000	(27,000)	-	-
CAFOD	-	1,000	(1,000)	-	-
	31,905	107,930	(139,835)	-	-
Unrestricted funds					
General fund	175,780	263,460	(223,205)	-	216,035
Total funds	207,685	371,390	(363,040)	-	216,035

The total funds are represented by:

	Restricted Funds £	Unrestricted Funds £	Total Funds £
Fixed assets	-	1,375	1,375
Debtors	-	42,151	42,151
Cash	-	238,882	238,882
Creditors	-	(66,373)	(55,373)
	-	216,035	216,035

Description of funds

General funds

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

FAIRSHARE EDUCATIONAL FOUNDATION
(A Company Limited by Guarantee)

NOTES TO THE ACCOUNTS (continued)
For the year ended 31st January 2013

9. Total funds (continued)

Description of funds (continued)

Restricted funds

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

The *Friends Provident Foundation* granted a grant of £3,333 the final instalment of a grant commencing in April 2009 (2012 - £20,000) towards the core costs of the campaign team.

The *Nuffield Foundation* granted £3,431 for a project 'Achieving Enlightened Fiduciary Standards in Private Pension Saving' (total award £130,612). This project will run to November 2014. (2012 - granted £2,000 for printing costs or a ShareAction Fiduciary Duty publication and another grant of £51,983 for a further project and seminars exploring shortcomings and risks in prevailing interpretations of fiduciary duty by UK pension providers (Protecting our Best Interests). This project ran until October 2012.

The *Network for Social Change* granted a grant of 6,024 towards a feasibility study for a School for Civil Economy Leadership (2012 - £15,000 towards a campaign on living wages in the FTSE 100).

The *Funding Network* granted a grant of £24,225 towards a campaign on living wages in the FTSE 100.

Greenpeace gave in 2012 a grant of £9,750 towards ShareAction's involvement in Arctic Drilling Investor engagement work and the production of the report 'Out in the Cold, Investor Risks in Shell's Arctic Exploration'.

Amnesty International UK contributed £16,000 towards a project on investor engagement on the activities of Royal Dutch Shell in the Niger Delta.

Christian Aid gave a grant of £15,000 towards a campaign on Tax Justice including attending companies' AGM's and asking Tax questions.

Friends of the Earth gave a grant of £2,167 towards work aimed at raising awareness of and stimulating debate amongst UK and selected US institutional investors about the risks and impacts of land-grabbing and on reducing and managing those risks.

Amazon Watch gave a grant of £27,000 towards a project regarding international investor engagement with Chevron on the Aguinda litigation.

CAFOD gave an amount of £1,000 towards the Tar Sands shareholder campaign.

10. Financial commitments

The following payments are committed to be paid by the company during the next year under operating leases: -

	2013	2012
	£	£
Land and buildings: -		
Within one year	Nil	Nil
	=====	=====

NOTES TO THE ACCOUNTS (continued)
for the year ended 31st January 2013

11. Pensions

The charitable company contributes to pension arrangements on behalf of its employees. Within each employee's contract of employment there is clause whereby the charitable company will, if requested, contribute to the individual personal pension arrangements of the employee at the rate of 7.5% of gross salary. The pension cost for the year amounted to the figure shown in note 4. At the year-end an amount of £446 (2012 - £101) was outstanding for pension contributions and is included under creditors.

12. Legal status of the company

The charitable company 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 14 full members and one associate member.

FAIRSHARE EDUCATIONAL FOUNDATION
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CASH FLOW STATEMENT

For the year ended 31st January 2013

	2013	2012
	£	£
Reconciliation of net incoming resources to cash flow from operating activities		
Net incoming resources before interest	5,552	38,760
Depreciation	958	1,016
Decrease (increase) in debtors	8,312	10,945
Increase (decrease) in creditors	30,214	(5,597)
	45,036	45,124
Returns on investments and servicing of finance		
Interest received	2,798	772
Bank interest paid	-	-
	2,798	772
Net cash inflow (outflow) from returns on investments and servicing of finance	2,798	772
Capital expenditure		
Payments to acquire tangible fixed assets	(803)	(540)
	(803)	(540)
Net cash inflow (outflow) from capital expenditure	(803)	(540)
Increase in cash	47,031	45,356

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