

**Fairshare Educational  
Foundation T/A ShareAction**

**Annual Report and Financial  
Statements**

31 January 2016

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

Charity Registration Number  
1117244

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## Reference and administrative details

<b>Board of Trustees and Directors</b>	Emma Howard Boyd (Chair) Nicholas Tatman (Treasurer) Andrew (Jonathan) Clarke Stephen Davis Paul Dickinson Laura Gyte Caroline Instance Roger Jeary Mick McAteer Lenka Setkova
<b>Secretary</b>	Nicola Cullen
<b>Chief Executive</b>	Catherine Howarth
<b>Charity name</b>	Fairshare Educational Foundation (Trading as ShareAction)
<b>Registered and principal office</b>	Ground Floor 16 Crucifix Lane London SE1 3JW
<b>Company registration number</b>	05013662 (England and Wales)
<b>Charity registration number</b>	1117244
<b>Auditor</b>	Buzzacott LLP 130 Wood Street London EC2V 6DL
<b>Solicitors</b>	Wrigleys 19 Cookridge Street Leeds LS2 3AG
<b>Principal bankers</b>	Unity Trust Bank plc Nine Brindleyplace Birmingham B1 2HB

## Report of the Chair of the Board Year to 31 January 2016

I am delighted that in my first year as Chair of ShareAction the charity has continued to go from strength to strength. The generosity of our funders, including our first significant European funders, MAVA Foundation and KR Foundation, has meant that we have continued to grow in scale and impact and has enabled the organisation to become increasingly international in both our outlook and our delivery.

2015-16 was ShareAction's tenth year and the final year in our existing five-year strategy. During the year we strengthened our management team with the recruitment of a COO to support our continued growth, and the board and staff have worked hard on a re-framing of our core vision, mission and theory of change. We now define our work in terms of three interlinked objectives:

- ◆ building the movement for Responsible Investment;
- ◆ reforming the rules of the investment system; and
- ◆ unlocking the potential of the investment system to deliver social and environmental benefit.

The following trustees' report gives more detail on how these objectives have been successfully delivered this year. Some of my highlights have been:

### **Building the movement**

Fundamental to ShareAction's work is the involvement of the ordinary saver in the investment system. 195 new pension scheme members received 'Pension Power' training this year and we now have ten teams engaging with their pension funds on the topics that are important to them. Our movement extended into Europe this year with the development and launch of the European Responsible Investment Network (ERIN), a network of civil society organisations keen to influence policy and investment practice across Europe. The Charities Responsible Investment Network (CRIN) has continued to go from strength to strength, with member foundations taking an active role in Responsible Investment initiatives and three new members joining the network.

### **Reforming the system**

Over the years we have had notable success in influencing the policy landscape. We responded to seven significant consultations during the year and have continued to champion the recommendations of the Law Commission on fiduciary duty in interactions with Department for Work & Pensions (DWP). We met with Peers to request amendments to the Pensions Scheme Bill and have leveraged significant influence at a European level through engagement with MEPs on the IORPs Directive. This year we published a ranking of the 33 largest asset managers and subsequently met with 28 of them. You will see from the full trustee report that this has led to some significant commitments against our recommendations.

**Unlocking change**

Our campaigns work stream has grown and diversified significantly. We continue with cornerstone campaigns on the Living Wage and the Green Light campaign on climate risk, and have added topics as diverse as factory farming and bonded labour in supply chains during the year. Our work with the 'Aiming for A' alliance and others saw important climate risk resolutions passed at BP and Shell early in the year, and investors worth more than £625 billion supported our campaign on corporate lobbying in November. We asked 140 questions at 92 AGMs on 19 topics covering the whole environmental, social and governance spectrum – a milestone year for shareholder activism.

We will be recruiting new trustees in the coming 18 months to replace those trustees that will reach the end of their tenure during that period. It is my aim that ShareAction continues on its trajectory of managed growth and we will be looking to strengthen the board to support this.

The number of staff has grown from 16 people in 2014-15 to 25 at the end of 2015-16. Our team has worked tremendously hard during the year to deliver the successes you will read about in the trustees' report. A priority for the year ahead is to support and develop the team and we have a programme of personal and organisational development planned to underpin this.

We thank all of our funders, supporters and staff for their superb efforts in 2015-16. ShareAction continues to punch above its weight as an organisation, and the opportunities to continue delivering change in the future are extremely exciting.



Emma Howard Boyd  
Chair

## Trustees' report Year to 31 January 2016

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 2016.

The financial statements have been prepared in accordance with the accounting policies set out on pages 23 to 26 of the attached financial statements and comply with the charitable company's governing document, applicable laws and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) effective from accounting periods commencing 1 January 2015 or later.

### **Objectives and activities**

#### ***Activities and specific objectives***

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

- ◆ to advance the education of the public in the principles and effects of ethical and responsible investment; 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.

During the financial year ending January 2016 these objectives were fulfilled by undertaking activities in three domains: building the movement for Responsible Investment; reforming the investment system; and unlocking the investment system to deliver social and environmental benefit.

#### ***Activities and specific objectives – building the movement for Responsible Investment***

ShareAction believes that the potential of responsible and ethical investment to deliver public benefit requires the activation of support both amongst professional investors and across society. As such, we expend considerable resources building a stronger 'insider' and 'outsider' movement to demand and deliver more responsible investment. During the year we undertook the following activities towards this aim:

- ◆ We delivered 'Pension Power' training to 195 people who wished to engage with their pension funds to promote Responsible Investment. Through the year, we supported these trainees to meet with executives and trustees of 10 pension funds. They made the case for improvements in disclosure of investment information and for more active stewardship of investments to address environmental, social and governance risks.

**Objectives and activities (continued)**

***Activities and specific objectives – building the movement for Responsible Investment (continued)***

- ◆ We also began development of a European Responsible Investment Network, made up of civil society organisations wishing to share skills and knowledge about the application of sustainable and responsible investment in jurisdictions across Europe and at supranational level. During the year we researched and devised a network offer, recruited an advisory council and began outreach to civil society organisations in anticipation of launching the Network at a European Conference on Responsible Investment in early June of 2016, just two weeks before the UK's EU referendum.
- ◆ Our Charities Responsible Investment Network, which supports foundations in acting as responsible shareowners, grew during the year to 20 members. The network pursued an ambitious programme of activities throughout the year including attending company AGMs, corresponding with investee companies and with policy makers, and pressing asset managers for a more active approach to voting and engagement. We published 'Asset Manager Voting Practices: in whose interests?', a survey of asset managers' voting records on controversial AGM votes. The report called for greater disclosure of voting behaviour - particularly the rationale for voting with management on controversial votes. We provided each foundation in the network with a tailored report enabling them to hold their asset managers accountable for any voting undertaken on the foundation's behalf.

***Activities and specific objectives – reforming the investment system***

ShareAction has a long-established programme of research and policy advocacy to facilitate responsible investment activity, especially amongst pension funds and asset managers. These activities are designed to meet our ambition of reforming the investment system to promote Responsible Investment. Some of the highlights for the year were:

- ◆ ShareAction has published a substantial benchmarking survey in each of the last ten years with the intention of driving up competition between institutional investors in respect of their Responsible Investment performance. In February 2015, we published an industry benchmarking survey ranking the UK's 33 largest asset managers on their Responsible Investment credentials. Each manager was given individual recommendations based on their score and performance in the survey. The report secured extensive media attention, notably in the Financial Times and our staff subsequently met with 28 of the 33 managers surveyed to discuss their scores. During the year we also began work on the organisation's first non-UK benchmarking survey of Swiss pension funds and on the 2016 survey of the UK's largest automatic enrolment pension providers.
- ◆ Early in the year we worked with Peers to propose an amendment to the Pension Schemes Bill that would give UK pension savers rights to information on the investments held on their behalf. The Government responded by pledging to consult on savers' information rights, which duly happened after the election of a new government in June 2015. We prepared a detailed response to this consultation, encouraged a range of other organisations and individuals to respond, and held a number of meetings with DWP officials to explain the case in support of such rights for UK pension savers. We await the Government's decision.

**Objectives and activities** (continued)

***Activities and specific objectives – reforming the investment system (continued)***

- ◆ Another focus was on interacting with the DWP and its many stakeholders in respect of the investment regulations that define the scope of pension trustees' fiduciary duties. In light of the recommendations made by the Law Commission in its 2014 report on fiduciary duties, we made the case for amending DWP investment regulations to embed in statute clarification of the legal position set out by the Law Commission. We helped to co-ordinate a range of supportive responses to the DWP's consultation including from pension funds, asset managers, lawyers and academics, as well as from 137 pension savers through an online response tool. The Government rejected our case but we remain closely engaged with Government on this matter and are still pushing.
- ◆ An important activity that was significantly expanded during the year was European policy advocacy. Much of the regulation of the UK pensions and investment market has originated in the European Union, making the EU an important arena for ShareAction. During the year we cemented our place as a civil society voice in investment policymaking at EU level by contributing to the 'War Room' formulating the European Commission's Capital Markets Union. We also proposed legislative amendments to the Shareholder Rights Directive and the Occupational Pensions legislation IORPs II.
- ◆ In July 2015, we published a substantial research-led report setting out a vision for UK workplace pension provision entitled; 'Realigning Interests, Reducing Regulation'. The report generated strong coverage and sparked a debate in the pensions press. A poll of pensions sector experts on one of our recommendations signalled strong industry support for our reform proposals and this gained significant press coverage. We subsequently interacted with senior DWP officials on the analysis and recommendations, and remain focused on pushing the member-centred agenda for pensions proposed in the report.
- ◆ During the year we submitted seven substantial submissions to public policy consultations undertaken by the FCA, The European Commission, the DWP, Treasury, Home Office, Cabinet Office, and the Pensions Regulator. These covered a range of topics including: closing the gender pay gap; the modern slavery act; transaction costs in pension products; the Capital Markets Union; and governance and administration of defined contribution pension schemes.

***Activities and specific objectives – unlocking the investment system to deliver social and environmental benefit***

ShareAction remained active during the year on work to influence companies' social and environmental performance by engaging the support of major shareholders and by making active use of shareholder rights.



## Objectives and activities (continued)

### *Activities and specific objectives – unlocking the investment system to deliver social and environmental benefit (continued)*

- ◆ The shareholder resolutions on climate change which we co-filed at BP Plc and Royal Dutch Shell Plc (in December 2014 and January 2015 respectively) were a major focus for ShareAction during spring 2015. Working with our partners, ClientEarth and the Aiming for A coalition, we undertook to mobilise shareholder votes from across the world in support of the resolutions, and to enable pension savers to signal their support to their funds using an online tool. We distributed a briefing to investors across the world setting out the case for the resolutions. Some weeks before the AGM of each company both boards announced they were recommending the resolutions to shareholders. We attended both of the AGMs, preparing detailed questions on each area of the resolution, which were asked by individuals who had co-filed the resolution with ShareAction's support.
  
- ◆ During the 2015 AGM season as a whole, ShareAction staff and supporters asked 140 questions at 92 AGMs on 19 different social, environmental and governance themes. This was a record for us. In many cases our questions built on previous interactions with company boards, and reflected the positive dialogue we had entered into with companies over the previous year. We also had several new themes to our questions, including: disability access; controversial weapons; access to medicine; gender diversity; digital rights; and affordable housing. We broadened the geographic reach of our AGM training in 2015, holding two training events in Scotland that were attended by over 30 supporters.
  
- ◆ The UK Living Wage remained a major theme of AGM questions and correspondence by institutional investors co-ordinated by ShareAction, with new companies entering the FTSE 100 being engaged for the first time.
  
- ◆ We launched, in partnership with FAIRR (Farm Animal Investment Risk and Return) a major new programme of investor engagement with companies on the varied ESG risks arising from current practices in the poultry and livestock industry.
  
- ◆ During the COP21 Conference on climate change, we launched (in Paris) a new programme of investor engagement with companies on their use of renewable electricity. Twenty-two institutional investors from five continents with £350bn of assets under management committed publicly to engage with companies in support of the RE100 pledge, which sees major companies commit to using 100% renewable electricity in their global operations.

### **Achievements and Performance**

As above, we are listing achievements during the year in three themes of activity: building the movement for Responsible Investment; reforming the investment system; and unlocking the investment system to deliver social and environmental benefit.

## **Achievements and Performance (continued)**

### ***Building the movement for Responsible Investment***

Our 'Pension Power' teams, trained and supported by ShareAction to engage with their pension schemes, achieved a number of breakthroughs during the year. The teams given priority support were members of the following schemes: Aviva, Scottish Widows, Aegon, Legal & General, Pearson, The Pensions Trust, NEST, Universities Superannuation Scheme (USS), BBC pension scheme, TfL pension scheme, and RailPen. Three teams (Scottish Widows, The Pensions Trust and South Yorkshire Pension Fund) secured commitments to undertake climate audits of their portfolio holdings. In addition, agreement was given at USS, Aviva, and The Pensions Trust to survey member's ethical views. The trustees of the Parliamentary Contributory Pension Fund shifted their position from viewing climate risk as an 'ethical' issue to an explicit acknowledgement of the financial materiality of climate risk, after sustained engagement from MPs being advised by ShareAction. Given the profile of the MPs' pension scheme, we were particularly pleased to see this development, which was widely reported in a helpful way in the mainstream national and pensions press.

Our Annual Guest Lecture 2015 was delivered by Sharan Burrow, the General Secretary of the International Trade Union Confederation which represents over 176 million workers in 162 countries. The title of the lecture was 'Worker's Capital in the 21st Century' and it focused on the wide ranging global impacts of climate change - specifically on communities across the world. The evening at Conway Hall concluded with Sharan's rallying cry to the mixture of investors, civil society leaders, politicians, and supporters in the room, "there will be no jobs on a dead planet!"

### ***Reforming the investment system***

Our meetings with 28 asset management firms based on the recommendations set out in our benchmarking survey of the sector resulted in a range of firms implementing changes we were pushing for:

- ◆ Henderson Global Investors developed a more robust strategy for stranded assets;
- ◆ Invesco Perpetual now discloses stewardship and voting activities on their website for the past year;
- ◆ Investec updated their Stewardship Policy which now incorporates ShareAction's recommendations;
- ◆ Jupiter Asset Management implemented all of our published recommendations, including increased transparency, disclosure of a rationale for controversial voting decisions, and an articulation of their strategy on stranded assets. Jupiter has also refreshed their UK Stewardship compliance as at January 2016.
- ◆ Royal London Asset Management updated their Responsible Investment policy to include more detail in line with ShareAction's recommendation, including a more detailed conflicts of interest policy. Their quarterly engagement RI review now includes a rationale for their voting decisions.

## **Achievements and Performance (continued)**

### ***Reforming the Investment system (continued)***

- ◆ Standard Life published a report on consideration of environmental factors in the investment process and a separate dedicated note on stranded assets, as per our special focus on this.
- ◆ Finally, State Street has now published a more detailed conflicts of interest policy on its website.

Our reputation for independence and expertise amongst officials and regulators, forged over the previous several years, was maintained. We kept our priorities in focus amongst senior officials who demonstrated repeatedly that they take seriously our evidence and arguments in support of Responsible Investment as a means of protecting the long-term interest of UK pension savers.

Our programme of policy engagement in Europe succeeded in securing a range of amendments to the draft texts of legislation governing occupational pension provision in the EU. As our financial year closed, the legislative process for IORPs II was still underway, but we were pleased to have worked with a range of parties in the European Parliament to secure wording that emphasised the importance of Responsible Investment to savers' outcomes and the wider economy in Europe. The organisation moved swiftly, later in the year, to seek to ensure that the outcome of the UK's referendum on the EU did not put at risk for UK pension savers these important legislative wins.

### ***Unlocking the investment system to deliver social and environmental benefit***

The previously mentioned shareholder resolutions on climate change at BP and Shell passed with a 98% vote at BP and a 99% vote at Shell. This made them the first shareholder resolutions addressing an environmental risk to pass and become legally binding on the companies in British corporate history - a major achievement for the partners, including ShareAction. The passage of the resolutions secured global media attention and reflected the decision made by the boards of each company in advance of their AGMs to recommend that shareholders vote in favour. Whilst welcoming this decision by the boards of BP and Shell, ShareAction recognised the risk that the companies might fail to address certain inconvenient aspects of the five-part resolutions. We therefore developed and published a detailed 'expectations' document following the passing of the resolutions, designed to alert shareholders to this risk and to set out a bold interpretation of what needed to be done to satisfy both the letter and spirit of these pioneering resolutions. In this way, ShareAction played an important thought-leadership role throughout 2015 in respect of the evolving relationship between investors and the oil and gas sector.

Our campaign for the FTSE100 to pay the UK Living Wage to all direct and contract employees continued to be well received by the investment community, listed companies and our wider supporter base. Intensive dialogue with companies and their major investors on this topic resulted in 30 of the FTSE100 being accredited as Living Wage employers by the end of the year, with 13 firms doing so over the 12 months to 31 January 2016; including Burberry, GSK, Centrica and Smith & Nephew. In addition, after intensive dialogue with Sainsbury's and Morrison's, they announced pay rises which, though short of the Living Wage, had an immediate positive impact on 146,000 low paid workers.

**Achievements and Performance (continued)**

***Unlocking the investment system to deliver social and environmental benefit (continued)***

Our new programme of work to promote renewable electricity use in the global operations of large public companies secured a number of early achievements: Aviva, Pearson and Land Securities all signed up to the RE100 pledge after our AGM questions and follow up meetings.

National Express committed to introduce a new wheelchair priority policy on its bus and rail routes following a question on this from a disability rights campaigner who had attended ShareAction's AGM training session.

In addition to the achievements of the AGM Army in winning policy change from companies, we are proud of the impact on our supporters and other charities of asking a question at an AGM. Over the year we collected impressions from people who had been on the training, attended AGMs and been involved in following up with corporate boards and executives on the topics raised. A staff member of disability-rights charity, Transport for All, said about working with our team: *"ShareAction's support all the way through has been great – on press, the inspiring training, the research – really appreciate all that you do."*

***Risk management***

The Trustees have recently created an Audit and Risk committee to oversee financial and risk matters and make recommendations for the Board. The risk register has been refreshed and reviewed by the board and the following table includes those risks identified as having highest potential impact on the charity:

Risk	Mitigation
<p><b>Not enough funding or an over-dependence on restricted funds:</b> Our dependence on philanthropic funders presents the risk that there are insufficient funds to continue to deliver our mission. The charity is also growing its operations predominantly through projects, which are funded with restricted grants. As a result the proportion of funds that are unrestricted is diminishing putting pressure on both operations and reserves and needs to be carefully managed.</p>	<p>ShareAction has developed a fundraising strategy that actively seeks out funds from new funding sources – specifically new funders in Europe and the states. The charity is also working with key funders to increase the size of individual donations and is prioritising bids for unrestricted funds.</p> <p>Allocation of unrestricted funds is also being more closely monitored so that it can be ring-fenced for core activities that cannot be funded otherwise.</p>

**Achievements and Performance** (continued)

**Risk management** (continued)

<p><b>Loss of key staff:</b> Difficulty in recruiting and retaining staff could put our mission at risk and the trustees are very alert to the issues caused by the loss of key personnel, particularly the CEO.</p>	<p>In early 2015 the trustees requested an organisational development plan and the senior team was subsequently boosted. A new remuneration policy and pay spine was launched in mid-2016. A separate HR and nominations committee has been created and in December 2016 the trustees created an organisational development working group to work with the charity in the short term on any issues arising from the growth of the charity. The trustees are focussed on building a strong leadership team that could assume authority in the event of an unexpected departure, and on developing an effective succession plan. The trustees continue to make every effort to support the CEO and are confident of her commitment to the charity.</p>
<p><b>Capacity and capabilities of staff:</b> many staff are fairly new to the world of work and face a heavy workload. There are risks to our dealings with stakeholders, funders, the press and our supporters if staff are not fully trained in their area of work or are too stretched to do a thorough job.</p>	<p>A COO role was created in July 2015 and she is tasked with better allocation of work across the organisation so that projects are correctly resourced. The appraisal process was reviewed in 2015 and all staff continue to have a personal development plan that is reviewed at least twice a year with budget allocated to individual and collective training needs. A training programme on capital markets began in December 2015 with all staff attending monthly talks on the investment system and its constituents.</p>
<p><b>Risk of legal or regulatory breach:</b> the Trustees recognise that an inability to keep up with current regulation or if an inexperienced staff member oversteps their remit (for example being deemed to have given financial advice) could lead to reputational damage or even legal action.</p>	<p>The charity subscribes to a range of bulletins and advice services and is a member of NCVO. The Finance Manager is a member of the Charity Finance Group and receives regular updates on financial regulation whilst the Company Secretary endeavours to stay abreast of governance changes and undertakes training as needed. Sign-off processes are in place for all externally-facing communications and the Audit and Risk committee continually review key governance risks.</p>

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

### **Public benefit**

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

### **Financial review**

#### ***Results for the year***

Membership income overall was up on last year. In the current year 20 member organisations (including one associate member) contributed fees amounting to £29,058 (2015 - 18 member organisations including two associate members - £14,867). CRIN membership continued to increase with 21 CRIN members contributing membership fees of £92,083 (2015 - 17 members contributing fees of £63,333). The charity received grants and donations from 34 organisations (2015 - 21) totalling £848,760 (2015 - £533,537) (including campaigning and education income). Of these 34 organisations, 25 (2015 - 14) made restricted grants as shown in note 4 to the accounts, and 11 (2014 - 7) made unrestricted grants as shown in note 1 to the accounts. The charity received £59,442 in donations from individuals (2015 - £34,271). The amount of cash held and cash equivalents had increased at year end to £421,663 (2015 - £282,508) but much of this was due to an increase in prepayments and restricted grant income deferred into 2016/17.

## Financial review (continued)

### *Results for the year (continued)*

The trustees agreed an ambitious plan for the year with a plan to grow income from £652,680 in 2014 to nearly £1million. This target has been reached and the trustees consider the results to be satisfactory with net income slightly below target but still showing a surplus. The trustees intend that growth will be maintained at a moderate rate and are continuing to look to expand the range of sources from which we secure income during the current year. In order to maintain independence the trustees intend to continue to source the majority of funds from philanthropic sources but will be exploring funding from Europe and the US as well as broadening the range of UK funders and attempting to increase the size of individual grants.

### *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, 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 will be undertaken at meetings of the Board and Audit and Risk Committee so that the Trustees may satisfy themselves as to the on-going financial viability of the charity.

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 2016, the charity held unrestricted funds of £307,075 (2015 - £209,399) and restricted funds of £1,806 (2015 - £3,698). After adjusting for the net book value of fixed assets, free reserves stood at £297,473 (2015 - £202,118). This level of free reserves is equal to 3.4 months expenditure and is in line with the policy.

### **Future plans**

In 2015 ShareAction's staff and Trustees went through an extensive review of its strategy, theory of change and objectives for the next three to five year period. One output was a restarted vision: **Our vision is of an investment system that is a force for good - serving savers and communities, and protecting our environment for the long term.** ShareAction's mission is to unleash the positive potential in the investment system and the charity has, in its first 10 years enjoyed much success in doing this.

**Future plans** (continued)

This re-examination of the charity's theory of change led to the three-part treatment used by the trustees in their report:

- ◆ Building the movement for Responsible Investment;
- ◆ Reforming the investment system to facilitate responsible investment activity;
- ◆ Unlocking the investment system to deliver social and environmental change.

These new framings were used to create a new over-arching strategic framework for the charity and a business plan was published in January 2016 to cover the next 3 to 5 years of activity. These documents will underpin the work of the charity and will help it stay focussed as it grows. Growth focuses on keeping a balance between the three areas of activity with an increasing emphasis on European influence and a managed move into other jurisdictions (most notably the US) dependent on the emerging funding landscape.

**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 Memorandum and Articles of Association. Any retiring Trustee may be re-appointed provided that his or her period in office does not exceed six consecutive years.

It is the practice of the charity to openly advertise opportunities to join the board of trustees. In appointing a new chair of the board in early 2015, the charity advertised this opportunity, receiving a range of applications from internal and external candidates. Both internal and external candidates were interviewed by a nominations committee that was formed for the purpose of making this important appointment.



## Structure, governance and management (continued)

### *Induction and training of Trustees*

Most Trustees already have experience of charitable organisations on appointment but if this is not the case they are provided with best practice and guidance (our membership of NCVO affords the charity access to the relevant resources). Their experience is developed further through their work with ShareAction. The Trustees spend a half day together to review the charity's strategy and progress annually and also attend a session with the staff of the charity to discuss strategy and plans together. The Chair will undertake a board review from time to time involving each Trustee in making an appraisal of his or her contribution, skills and areas for development. In 2016/17 a number of trustee positions are becoming available and a full skills audit will be undertaken in preparation and new trustees will be recruited with the future strategy of the charity in mind.

### *Organisation structure*

The Trustees are required to hold at least three meetings each year and currently meet four times a year. The Trustees, assisted by the Chief Executive, are responsible for the governance of the charitable company. Trustees oversee and agree the strategy of the charity. In order to deliver the strategy, the Chief Executive prepares a Business Plan and budget for review by the Trustees ahead of each financial year. Once agreed, this document, which includes a range of key performance indicators, is used to measure and assess progress at the quarterly meetings of the board.

In 2015 The Governance Sub-Committee (now split into an HR and nominations committee and an audit and risk committee) facilitated the creation and implementation of a new remuneration policy and pay-spine to cover all positions within ShareAction. This was nominally benchmarked against NCVO data on charity sector salaries. All staff and the policy itself are reviewed at least annually against this scale.

### *Trustees*

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

<b>Trustees</b>	<b>Appointed/resigned</b>
Andrew (Jonathan) Clarke	
Stephen Davis	
Paul Dickinson	
Laura Gyte	
Emma Howard Boyd	Appointed 16 April 2015
Caroline Instance	
Roger Jeary	
Jenine Langrish	Did not re-stand as had completed maximum six year's service - 16 April 2015
Mick McAteer	
Lenka Setkova	
Nicholas Tatman	

**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.

**Trustees' report** Year to 31 January 2016

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

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:

A handwritten signature in black ink, appearing to read "Emma Attwood".

Approved by the Trustees on: 25 July 2016

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

We have audited the financial statements of Fairshare Educational Foundation for the year ended 31 January 2016 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the related notes. 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), including FRS 102, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland.

This report is made solely to the charity'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 charity'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 charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of Trustees and auditor**

The Trustees are also the directors of the charitable company for the purposes of company law. As explained more fully in the Trustees' responsibility statement set out in the Trustees' report, the Trustees are responsible for the preparation 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 (APB's) Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

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 charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material inconsistencies we consider the implications for our report.

**Opinion on financial statements**

In our opinion the financial statements:

- ◆ give a true and fair view of the state of the charity's affairs as at 31 January 2016 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.

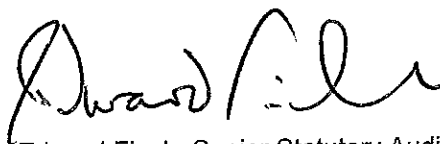
**Opinion on other matter prescribed by the Companies Act 2006**

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;
- ◆ we have not received all the information and explanations we require for our audit; or
- ◆ the Trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report.



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

17/8/16

**Statement of financial activities** Year to 31 January 2016

	Notes	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
<b>Income:</b>					
Donations	1	279,794	11,228	<b>291,022</b>	222,764
Other trading activities	2	121,141	—	<b>121,141</b>	78,200
Investment income	3	686	—	<b>686</b>	315
Charitable activities	4	—	617,180	<b>617,180</b>	349,944
Other income		1,014	—	<b>1,014</b>	1,457
<b>Total income</b>		<b>402,635</b>	<b>628,408</b>	<b>1,031,043</b>	<b>652,680</b>
<b>Expenditure:</b>					
Cost of raising funds	5	35,959	—	<b>35,959</b>	17,154
Expenditure on charitable activities	5	268,695	630,300	<b>898,995</b>	649,411
<b>Total expenditure</b>		<b>304,654</b>	<b>630,300</b>	<b>934,954</b>	<b>666,565</b>
Net income (expenditure) before losses on investments		97,981	(1,892)	<b>96,089</b>	(13,885)
<b>Net losses on listed investments</b>		(305)	—	<b>(305)</b>	(684)
<b>Net income (expenditure) for the year and net movement in funds</b>		<b>97,676</b>	<b>(1,892)</b>	<b>95,784</b>	<b>(14,569)</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward at 1 February 2015		209,399	3,698	<b>213,097</b>	227,666
Total funds carried forward at 31 January 2016		<b>307,075</b>	<b>1,806</b>	<b>308,881</b>	<b>213,097</b>

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

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

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

**Balance sheet 31 January 2016**

	Notes	2016 £	2016 £	2015 £	2015 £
<b>Fixed assets</b>					
Tangible assets	8		9,602		7,281
Investments	9		1,356		1,405
			<u>10,958</u>		<u>8,686</u>
<b>Current assets</b>					
Debtors	10	148,618		60,337	
Cash at bank and in hand		421,663		282,508	
		<u>570,281</u>		<u>342,845</u>	
<b>Creditors: amounts falling due within one year</b>	11	<u>(272,358)</u>		<u>(138,434)</u>	
<b>Net current assets</b>			<u>297,923</u>		<u>204,411</u>
<b>Total net assets</b>			<u>308,881</u>		<u>213,097</u>
<b>The funds of the charity:</b>					
Restricted funds	13		1,806		3,698
Unrestricted income funds					
· Tangible fixed asset fund			9,602		7,281
· General fund			297,473		202,118
			<u>308,881</u>		<u>213,097</u>

The financial statements were approved by the Board of Directors on 25 July 2016 and signed on their behalf by:

*Emma Howard Boyd*

Registered Company Number: 05013662

**Statement of cash flows** 31 January 2016

	Notes	2016 £	2015 £
<b>Cash flows from operating activities:</b>			
Net cash provided by operating activities	A	146,185	25,744
		<u>146,185</u>	<u>25,744</u>
<b>Cash flows from investing activities:</b>			
Investment income		686	315
Purchase of tangible fixed assets		(7,459)	(4,083)
Proceeds from the disposal of investments		—	20
Purchase of investments		(411)	(1,734)
<b>Net cash used in investing activities</b>		<u>(7,184)</u>	<u>(5,482)</u>
<b>Change in cash and cash equivalents in the year</b>		<b>139,001</b>	<b>20,262</b>
Cash and cash equivalents at 1 February 2015	B	282,786	262,524
<b>Cash and cash equivalents at 31 January 2016</b>	B	<u><b>421,787</b></u>	<u><b>282,786</b></u>

**Notes to the statement of cash flows for the year to 31 January 2016**

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

	2016 £	2015 £
Net movement in funds (as per the statement of financial activities)	95,784	(14,569)
<b>Adjustments for:</b>	<b>5,139</b>	<b>3,365</b>
Depreciation charge	305	684
Losses on investments	(686)	(315)
Investment income	(88,281)	(6,679)
Increase in debtors	133,924	43,258
Increase in creditors	146,185	25,744
<b>Net cash provided by operating activities</b>	<u><b>146,185</b></u>	<u><b>25,744</b></u>

**B Analysis of cash and cash equivalents**

	2016 £	2015 £
Cash at bank and in hand	421,663	282,508
Cash held by investment managers	124	278
<b>Total cash and cash equivalents</b>	<u><b>421,787</b></u>	<u><b>282,786</b></u>



## Principal accounting policies 31 January 2016

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

### Basis of accounting

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

The accounts have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) (Charities SORP FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

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.

### Transition to FRS 102

The opening fund balances at the date of transition have not been restated because no adjustments to the opening fund balance have been required in making the transition to FRS 102. The transition date was 1 February 2014.

In accordance with the requirements of FRS 102 a reconciliation of the opening balances and net income (expenditure) for the year is provided with the net income (expenditure) under previous GAAP adjusted for the presentation of investment gains (losses) as a component of reported income:

	2015 £
Reconciliation of reported expenditure:	
Net expenditure as previously stated	(13,885)
Adjustment for losses on investments now treated as a component of net expenditure	(684)
2015 net expenditure as restated	<u>(14,569)</u>

### 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:

- ◆ estimating the useful economic life of tangible fixed assets.

**Assessment of going concern**

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

The trustees are aware that there is uncertainty around the income of the charity but are comfortable that they have the necessary visibility in order to manage this uncertainty. The trustees of the charity assessed the events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern and have concluded that the necessary measures (most importantly, monitoring of cash, reserves and forecasts and timely cost management) are in place to mitigate these concerns. The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due. An Audit and Risk Committee has been created to ensure that these issues are given the necessary scrutiny as the organisation grows.

**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 certainty. 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.

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 those costs of an indirect nature necessary to support them.

Expenditure incurred on activities falling directly within one cost category is attributed to that category. Expenditure which cannot be directly attributed, including governance costs, is apportioned on a reasonable, justifiable and consistent basis to the cost categories involved, e.g. allocating 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 and are included within support costs.

**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)

**Pensions**

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

**Operating leases**

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

**Taxation**

Provision for corporation tax is not necessary, as the company is a registered charity. 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. Assets and liabilities denominated in foreign currencies are translated into sterling at the closing rates at the year end date. All revaluation differences and foreign exchange differences are taken to the statement of financial activities.

**Fixed asset investments**

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

**Debtors**

Debtors are recognised at the settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

## **Principal accounting policies 31 January 2016**

### **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. They have been discounted to the present value of the future cash payment where such discounting is material.

### **Fund accounting**

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

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

Notes to the financial statements 31 January 2016

1 Donations

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
<b>Grants and donations received</b>				
<b>Grants</b>				
. The Joseph Rowntree Charitable Trust	35,000	—	35,000	35,000
. Esmeé Fairbairn Foundation	40,000	—	40,000	40,000
. Lankelly Chase Foundation	38,333	—	38,333	25,000
. The Tudor Trust	42,500	—	42,500	40,000
. Friends Provident Foundation	49,747	—	49,747	42,093
. The Jeremy Collier Foundation	10,000	—	10,000	—
. The Polden-Puckham Charitable Foundation	12,500	—	12,500	—
. Unison	1,000	—	1,000	—
. Unite	1,000	—	1,000	—
<b>Donations</b>				
. Donations from NGOs – The Serve All Trust	500	—	500	500
. Donations from other organisations – World First FE	1,000	—	1,000	1,000
. Donations from individuals	48,214	11,228	59,442	34,271
	<u>279,794</u>	<u>11,228</u>	<u>291,022</u>	<u>217,864</u>
<b>Gifts in kind</b>				
. Donated training provided	—	—	—	2,100
. Donated meeting space	—	—	—	2,800
	<u>—</u>	<u>—</u>	<u>—</u>	<u>4,900</u>
<b>Total 2016</b>	<u>279,794</u>	<u>11,228</u>	<u>291,022</u>	<u>222,764</u>
<b>Total 2015</b>	<u>216,315</u>	<u>6,449</u>	<u>222,764</u>	

2 Other trading activities

	Unrestricted	
	Total 2016 £	Total 2015 £
<i>Full members</i>		
Unite – the Union	2,000	1,000
EIRiS	1,000	417
Oxfam	2,000	1,000
WWF – UK	2,000	667
Unison	2,000	2,000
Greenpeace	1,167	500
Christian Aid	2,000	1,166
Access – Now	1,000	1,000
Citizens UK	2,000	2,000
CAFOD	2,000	1,000
CWU	2,000	666
Friends of the Earth	2,000	1,333
Prospect	2,000	1,167
TSSA	1,000	500
Community Union	1,000	167
Educational Institute of Scotland	833	167
National Council for Voluntary Organisations	625	—
Tearfund	333	—
University and College Union	2,000	—
	<b>28,958</b>	<b>14,750</b>
<i>Associate members</i>		
Unison Midlands	100	100
Relativ Impact	—	17
	<b>100</b>	<b>117</b>
<i>CRIN Membership fees</i>		
Trust for London	5,000	2,083
Tellus Mater Foundation	5,000	3,334
The Ashden Trust	3,334	2,778
Barrow Cadbury Trust	5,000	5,000
The Joseph Rowntree Charitable Trust	5,000	5,000
The Joseph Rowntree Foundation	5,000	5,000
Lankelly Chase Foundation	5,000	5,000
Friends Provident Foundation	5,000	5,000
The Polden-Puckham Charitable Foundation	5,000	5,000
Holly Hill Charitable Trust	5,000	5,000
JJ Charitable Trust	3,333	2,778
Mark Leonard Trust	3,333	2,777
Comic Relief	5,000	3,750
Esmée Fairbairn Foundation	5,000	3,750
Panahpur	5,000	3,333
The Baring Foundation	5,000	2,083
The Tudor Trust	5,000	1,667
The Jeremy Collier Foundation	3,542	—
The Golden Bottle Trust	3,542	—
Jesuits in Britain	4,167	—
WWF-UK	832	—
	<b>92,083</b>	<b>63,333</b>
<b>Total</b>	<b>121,141</b>	<b>78,200</b>

**3 Investment income**

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Bank interest receivable	613	—	613	245
Dividends receivable	73	—	73	70
Total 2016	686	—	686	315
Total 2015	315	—	315	

**4 Income from charitable activities**

	Restricted	
	Total 2016 £	Total 2015 £
Christian Aid	30,799	46,500
Greenpeace	—	18,000
Barrow Cadbury Trust	26,000	24,000
City Bridge Trust	39,167	28,500
Client Earth	63,419	24,188
Community Initiatives/ Nathan Cummings Foundation	2,052	10,260
Oxfam – UK	3,333	6,667
Oxfam – Novib	31,847	—
Platform	5,425	12,849
Tellus Mater Foundation – Green Light	63,750	52,083
Trust for London	29,667	26,667
WWF – UK	10,833	11,667
WWF – Switzerland	11,804	—
The Climate Change Collaboration	26,666	—
The Ashden Trust	20,000	20,000
MAVA Foundation	114,399	9,540
The Nuffield Foundation	—	59,023
The Jeremy Coller Foundation	52,612	—
Network for Social Change	15,405	—
Purpose	12,240	—
Médecines Sans Frontières International	626	—
European Commission in the UK	1,806	—
KR Foundation	29,472	—
The Baring Foundation	7,500	—
PRI	5,000	—
Lankelly Chase Foundation	8,334	—
Joseph Rowntree Foundation	5,024	—
Total 2016	617,180	349,944
Total 2015	349,944	

## 5 Expenditure

	Raising funds £	Campaigning and education £	Governance costs £	Total 2016 £	Total 2015 £
<i>Direct costs</i>					
Staff costs (note 5)	—	526,553	—	<b>526,553</b>	357,317
Research & communication	—	42,581	—	<b>42,581</b>	21,336
	—	569,134	—	<b>569,134</b>	378,653
<i>Support costs</i>					
Staff costs (note 5)	29,696	176,521	12,117	<b>218,334</b>	153,450
Other staff expenses	385	9,110	157	<b>9,652</b>	9,822
Legal & professional	165	3,909	67	<b>4,141</b>	4,599
Depreciation	205	4,850	84	<b>5,139</b>	4,004
Operating lease rentals (note 12)	1,836	43,457	749	<b>46,042</b>	30,576
General office costs	1,203	28,478	491	<b>30,172</b>	27,329
Website & ICT expenses	1,220	28,887	498	<b>30,605</b>	21,580
Travel and subsistence	440	10,412	179	<b>11,031</b>	18,590
Bank charges	65	1,561	27	<b>1,653</b>	1,391
Legal & professional fees	—	353	236	<b>589</b>	11,136
Auditors' remuneration					
. Audit fee (including VAT) – current year	—	—	4,800	<b>4,800</b>	4,800
. Audit fee (including VAT) – prior year	—	—	(800)	<b>(800)</b>	(565)
. Other services	—	—	—	<b>—</b>	1,200
Irrecoverable VAT		4,462	—	<b>4,462</b>	—
	35,215	312,000	18,605	<b>365,820</b>	287,912
Allocated governance costs	744	17,861	(18,605)	<b>—</b>	—
	35,959	329,861	—	<b>365,820</b>	287,912
<b>Total</b>	<b>35,959</b>	<b>898,995</b>	<b>—</b>	<b>934,954</b>	<b>666,565</b>

The allocation of costs between funds was as follows:

	Unrestricted funds £	Restricted funds £	Total funds 2016 £
Raising funds	35,959	—	<b>35,959</b>
Campaigning and education	268,695	630,300	<b>898,995</b>
<b>Total 2016</b>	<b>304,654</b>	<b>630,300</b>	<b>934,954</b>
Raising funds	17,154	—	<b>17,154</b>
Campaigning and education	296,716	352,695	<b>649,411</b>
<b>Total 2015</b>	<b>313,870</b>	<b>352,695</b>	<b>666,565</b>



**6 Particulars of employees**

The average number of employees analysed by function was:

	2016 No.	2015 No.
Campaigning and education	19	13
Management and administration	5	3
	24	16

Their total remuneration was:

	2016 £	2015 £
Wages and salaries	638,790	436,224
Social Security costs	60,005	43,094
Pension costs	46,092	31,449
	744,887	510,767

One employee earned between £60,001 and £70,000 per annum (2015 - one) during the year.

No trustee received any remuneration for their services during the year (2015 - £nil). One trustees (2015 – none) received reimbursement for travelling expenses of £31 (2015 - £249).

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 remuneration of the key management personnel for the year was £266,261 (2015 - £217,917).

**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 Tangible fixed assets**

	Computer equipment £
<b>Cost</b>	
Cost at 1 February 2015	20,899
Additions	7,459
At 31 January 2016	<u>28,358</u>
<b>Depreciation</b>	
Depreciation at 1 February 2015	13,618
Charge for the year	5,138
At 31 January 2016	<u>18,756</u>
<b>Net book values</b>	
At 31 January 2016	<u>9,602</u>
At 31 January 2015	<u>7,281</u>

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

**9 Fixed asset investments**

	2016 £	2015 £
<b>Listed investments</b>		
Market value at 1 February 2015	1,127	97
Additions at cost	411	1,734
Disposals at book value	—	(20)
Net unrealised gains	(305)	(684)
Market value at 31 January 2016	<u>1,233</u>	1,127
<b>Cash held by investment managers for re-investment</b>	<u>123</u>	278
	<u>1,356</u>	<u>1,405</u>
 Cost of listed investments at 31 January 2016	 <u>2,222</u>	 <u>1,811</u>

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

**10 Debtors**

	2016 £	2015 £
Trade debtors	11,920	1,329
Other debtors	18,266	13,997
Prepayments	12,777	8,863
Accrued income	105,655	36,148
	<u>148,618</u>	<u>60,337</u>

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

	2016 £	2015 £
Trade creditors	12,099	11,522
Other taxes and social security costs	16,973	12,433
Accruals	4,541	6,272
Deferred income	210,257	102,686
Other creditors	28,488	5,521
	<b>272,358</b>	<b>138,434</b>

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

	2016 £	2015 £
Membership income	14,375	12,333
CRIN membership income	33,334	25,417
Grant income	162,548	64,936
	<b>210,257</b>	<b>102,686</b>

**12 Restricted funds**

	Balance at 1 February 2015 £	Income and gains £	Expenditure £	Balance at 31 January 2016 £
Christian Aid	—	30,799	(30,799)	—
Barrow Cadbury Trust	—	26,000	(26,000)	—
City Bridge Trust	—	39,167	(39,167)	—
Client Earth	—	63,419	(63,419)	—
Community Initiatives/Nathan Cummings Foundation	3,698	2,052	(5,750)	—
Oxfam – UK	—	3,333	(3,333)	—
Oxfam – Novib	—	31,847	(31,847)	—
Platform	—	5,425	(5,425)	—
Tellus Mater Foundation	—	63,750	(63,750)	—
Trust for London	—	29,667	(29,667)	—
WWF – UK	—	10,833	(10,833)	—
The Climate Change Collaboration	—	26,666	(26,666)	—
The Ashden Trust	—	20,000	(20,000)	—
MAVA Foundation	—	114,399	(114,399)	—
The Jeremy Collier Foundation	—	52,612	(52,612)	—
Network for Social Change	—	15,405	(15,405)	—
Purpose	—	12,240	(12,240)	—
WWF Switzerland	—	11,804	(11,804)	—
Médecines Sans Frontieres International	—	626	(626)	—
The European Commission	—	1,806	—	1,806
KR Foundation	—	29,472	(29,472)	—
Baring Foundation	—	7,500	(7,500)	—
PRI Association	—	5,000	(5,000)	—
Lankelly Chase Foundation	—	8,334	(8,334)	—
Joseph Rowntree Foundation	—	5,024	(5,024)	—
Donations from individuals	—	11,228	(11,228)	—
<b>Total restricted funds</b>	<b>3,698</b>	<b>628,408</b>	<b>(630,300)</b>	<b>1,806</b>

**12 Restricted funds** (continued)

*Christian Aid* gave restricted grants of £30,799 (2015 - £46,500) comprising £9,167 for the Greenlight Project, £6,632 relating to Tax (justice) and Investors and £15,000 relating to AGM work and devising questions for FTSE100 companies.

The *Barrow Cadbury Trust* made a grant of £26,000 (2015 - £24,000) towards the Living Wage campaign (total grant of £50,000 over two years).

*The City Bridge Trust* made a grant of £39,167 for the 2015/16 period towards the Environmental Educational Campaign (£117,000 over three years).

*Client Earth* made a grant of £40,812 (2015 - £24,188) towards the BP & Shell Shareholder Resolutions Campaign, £22,500 towards pensions litigation work. Client Earth also gifted shares amounting to £107.

*Community Initiatives/Nathan Cummings Foundation* made a grant of £2,052 (2015 - £10,260) towards a feasibility study into a potential ShareAction USA programme (total grant of \$20,000 USD).

*Oxfam GB* made a grant of £3,333 (2015 - £6,667) towards the Green Light campaign (total grant of £10,000 running to May 2015).

*Oxfam Novib* made a grant of £31,847 (2015 - £49,997) towards the Fair Finance Guide UK Project.

*Platform* made a grant of £5,425 (2015 - £12,849) towards the Arctic drilling campaign.

*Tellus Mater Foundation* provided total funding of £63,750 (2015 - £52,083). £50,000 was in support of ShareAction's three-year Green Light Campaign, and £13,750 in support of the Climate Change Corporate Lobbying Campaign.

*WWF UK* made a grant of £10,833 towards the Green Light Campaign (2015 - £11,667).

*Trust for London* gave an amount of £29,667 (2015 - £26,667) towards a programme of 'Responsible Investment for the Capital', (now known as 'Capital Action') which aims to use the leverage of major asset owners and the resources of companies operation in London to secure a wide range of positive outcomes for disadvantaged Londoners (total award £85,000 over three years running to September 2016).

*The Ashden Trust* made a grant of £20,000 (2015 - £20,000) towards the Green Light Campaign (total grant of £60,000 running to 2015/16).

Climate Change Collaboration (Ashden Trust, JJ Charitable Trust, Mark Leonard Trust, Tedworth Trust) made a grant of £10,000 in the 2015/16 period of which £3,333 has been recognised. Total grant of £10,000 running to May 2016.

Climate Change Collaboration (Ashden Trust, JJ Charitable Trust, Mark Leonard Trust, Tedworth Trust) made a grant of £40,000 in the 2015/16 period of which £23,333 has been recognised. Total grant of £120,000 running to July 2018.

**12 Restricted funds** (continued)

The *MAVA Foundation* made a grant of £114,399 (2015 - £9,540) towards the Empowering Pension Savers campaign (total grant of £340,490 over four years to 31 December 2017).

The *Jeremy Coller Foundation* made a grant of £52,612 towards the Global Investor Coalition to Raise Standards of Farm Animal Welfare Project. Total grant of £277,702 running to June 2018.

*Network for Social Change* made a grant of £16,805 of which £15,405 has been recognised in 2015/16. This grant was made towards ShareAction's Just Pay initiative.

*Purpose* made a grant of £12,240 towards the 'I want to break fossil free' campaign.

*WWF Switzerland* made a grant of £11,804 towards the Swiss Pension Fund Rating Project. Total award of £23,608 running to August 2016.

*Médecins Sans Frontières International* made a grant of £15,000 towards the Investor Activism Project 'A Fair Shot'. £626 has been recognised in the 15/16 period with the remainder deferred to 16/17.

The *European Commission in the UK* made a grant of £3,611 for which £1,806 has been recognised in the 15/16 period. This grant was made towards the 'Union of Interests' Project. Total award of €10,000 for 12 months to October 2016.

*KR Foundation* made a grant of £29,472 towards the Empowering Pension Savers Project. Total award of DKK 1,000,000 over three years to March 2018.

*Baring Foundation* made a grant of £7,500 towards research for Sustainable Development Goals.

*PRI Association* made a grant of £5,000 towards research for Sustainable Development Goals.

*Lankelly Chase Foundation* made a grant of £10,000 of which £8,333 has been recognised in 2015/16. This grant is the restricted element of the grant which has been recognised as unrestricted (Note 1).

*Joseph Rowntree Foundation* made a grant of £5,024 towards the Low Pay Investor Programme.

Donations of £11,228 (2015 - £3,649) were made by various individuals.

Various companies donated the use of training facilities worth £nil (2015 - £2,800).

**13 Analysis of net assets between funds**

Total funds are represented by:

	Unrestricted funds £	Tangible fixed asset fund £	Restricted funds £	Total funds £
Fixed assets	—	9,602	—	9,602
Investments	1,356	—	—	1,356
Current assets	418,427	—	151,854	570,281
Creditors	(122,310)	—	(150,048)	(272,358)
	297,473	9,602	1,806	301,367

The total unrealised losses included in net assets above as at 31 January 2016 constitutes movements on revaluation and are as follows:

	2016 £	2015 £
<b>Unrealised losses included above:</b>		
On investments	(989)	(684)
<b>Total unrealised losses at 31 January 2016</b>	<b>(989)</b>	<b>(684)</b>
<b>Reconciliation of movements in unrealised losses</b>		
Unrealised losses at 1 February 2015	(684)	—
Add: net (losses) arising on revaluation arising in the year	(305)	(684)
<b>Total unrealised (losses) at 31 January 2016</b>	<b>(989)</b>	<b>(684)</b>

**14 Financial commitments**

**Land and building**

At 31 January 2016, the charity had the following future minimum commitments in respect to non-cancellable operating:

	Land and buildings	
	2016 £	2015 £
Payable within one year	57,500	30,000
Payable between one to two years	57,500	30,000
Payable between two to five years	33,542	47,500

**Equipment**

At 31 January 2016, the charity had the following future minimum commitments in respect to non-cancellable operating leases:

	Equipment	
	2016 £	2015 £
Payable within one year	2,194	—
Payable between one to two years	2,194	—
Payable between two to five years	5,118	—

**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 4. During the year NEST was selected as a new pension provider for the organisation under the requirements of auto-enrolment. Set up of the new scheme was underway at the year-end and an amount of £37,453 (2015 - £9,122) was outstanding for pension contributions to be paid into the new scheme. This amount is included under creditors.

**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 nineteen full members and one associate member.