



REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2019

GLOBAL ACTION PLAN IS A CHARITY THAT HELPS PEOPLE LIVE MORE SUSTAINABLE LIVES BY CONNECTING WHAT IS GOOD FOR US AND GOOD FOR THE PLANET.

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TRUSTEES REPORT

REFERENCE & ADMINISTRATIVE DETAILS:

Name: Global Action Plan
Company number: 2838296
Registered Charity in England & Wales: 1026148
Registered Charity in Scotland: SC041260
Principal Address and Registered Office: 201 Borough High Street, London, SE1 1JA

DIRECTORS AND BOARD OF TRUSTEES:

The directors of the charitable company (the Charity) are its trustees for the purposes of charity law and throughout this report are collectively referred to as **the Trustees**. Trustees are elected by the members of the company each year at its AGM. The Trustees serving during the year and since the year end were as follows:

Jeremy Oppenheim – Chair
Jonathan Katz – Treasurer & Secretary
Andy Cartland – Deputy Chair
Murray Birt
Tim Brooks (appointed 29/04/2019)

Ellen Miles
Lisa Poole
Tom Rippin
Sue Welland
Jerry Cooper (resigned 29/10/2018)

KEY MANAGEMENT:

The Board of Trustees delegate the day to day running of the organisation to a Partnership Team comprising:

Sonja Graham – Managing Partner
Chris Large – Senior Partner
Charlotte Zamboni – Marketing Director

PROFESSIONAL ADVISERS

BANKERS: The Co-operative Bank, 10 Warwick Lane, London, WC4M 7BP
Triodos Bank, Deanerys Road, Bristol, BS1 5AS

AUDITORS: Crowe U.K. LLP, St. Bride's House, 10 Salisbury Square, London, EC4Y 8EH

1. STRUCTURE, GOVERNANCE AND MANAGEMENT

Global Action Plan (GAP) is registered as a charity in both England & Wales and in Scotland. GAP is a company limited by guarantee, incorporated on 22 July 1993. Its governing document is its Memorandum and Articles of Association. The company is established to promote the protection and improvement of the natural environment by increasing public knowledge and understanding of human behaviour which is not harmful to man and other living species and to planetary ecology.

1.1 BOARD OF TRUSTEES

The governance of the Charity is overseen by a Board of Trustees (the Board). The Trustees are recruited to fill specific skill-sets identified by the Board as being required to ensure the effective management of the organisation. The current skill-sets are:

- Organisational strategy
- Sustainability & Behavioural Science knowledge
- Financial management
- Academic research
- Knowledge of relevant government policy

1.1.1 OPERATING STRUCTURE:

The main Board meets four times each year at GAP's head office. An annual strategy away-day is held to develop the strategic areas for the year to come.

1.1.2 TRUSTEE INDUCTION:

Potential Trustees meet initially with GAP's Managing Partner and a Trustee and are subsequently invited to attend one meeting as an observer. Subject to the potential Trustee being approved by a majority of existing Trustees they are appointed to the Board. New appointees are invited to attend an induction session at GAP's offices to be taken through the organisation's finance in details, meet team members and understand the organisation's activities.

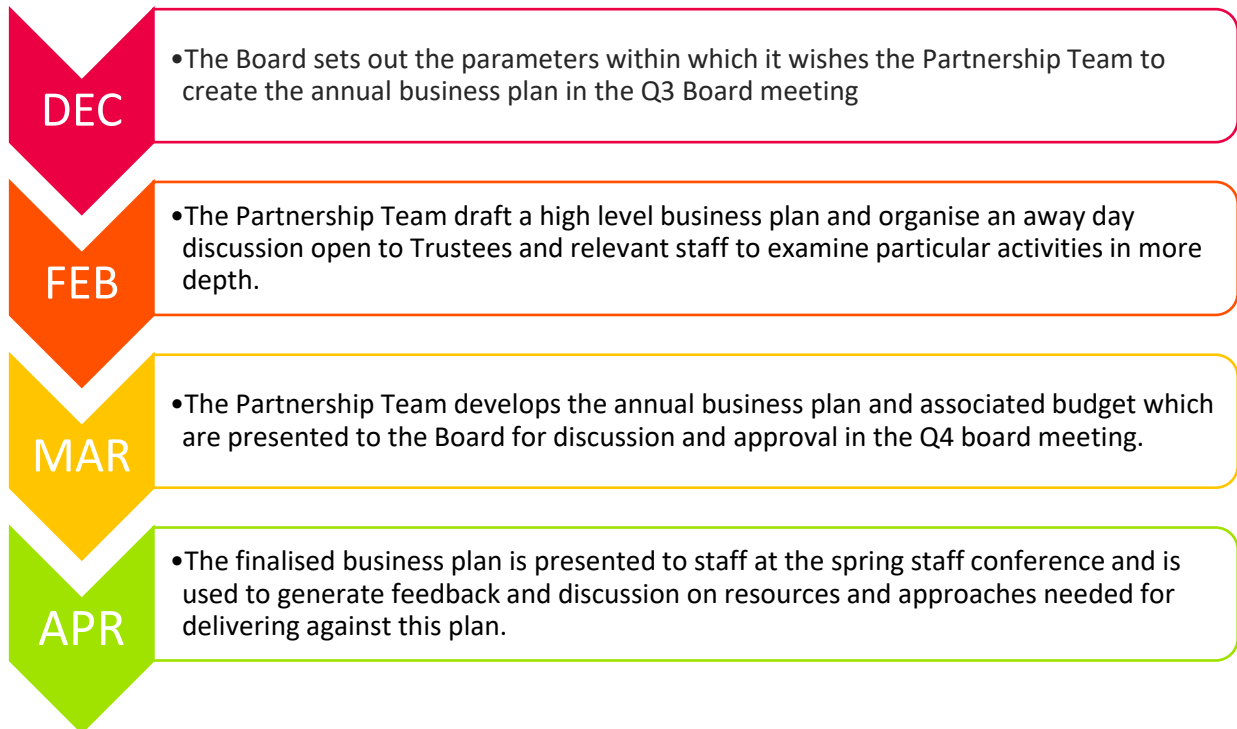
1.1.3 REMUNERATION OF KEY MANAGEMENT:

The Board sets the remuneration of the Partnership Team, who are subject to an annual appraisal process. Salaries are reviewed annually, taking into account performance against objectives set as part of the annual business planning process, and benchmarked against key management in other similarly sized charities. GAP is fortunate to have the assistance, on a volunteer basis, of a former senior HR specialist to support this process, which is led by the Treasurer, on behalf of the Board.

1.2 BUSINESS PLANNING

There are annual business plans that move the organisation towards its vision. These annual business plans are created using the following annual process:

Figure 1 GAP Business planning timeline



1.3 PARTNERSHIPS AND COLLABORATION

Where appropriate, Global Action Plan creates strategic partnerships with other charities and organisations to meet its objectives. These partnerships are usually to deliver specific projects, and the parameters for the partnership are set out within a Letter of Agreement or Memorandum of Understanding, if the partnership is significant.

1.4 RISK MANAGEMENT

The Board is responsible for ensuring that there is an appropriate procedure in place for risk management.

<p>RISK MANAGEMENT PROCESS</p> <p>This process is led by the Partnership Team and managed by the Treasurer.</p>	<ul style="list-style-type: none"> - ANNUAL RISK REGISTER REVIEW: At the start of each year the Managing Partner creates a risk management plan using the latest recommendations from the Charity Commission and other bodies. As part of this: <ul style="list-style-type: none"> o All possible risks are logged in a risk register. o Each risk is assessed for its likelihood and the impact it could have on the organisation. o Any major risks are assigned an owner and mitigation strategies and contingency plans are created. <p>The Board then reviews the full risk register and risk management plan in their Q1 Board meeting and advises on any changes that they would like to see to risk mitigation, management and reporting models.</p> - MONTHLY REVIEW: Each month the Managing Partner, Treasurer and Finance Director review operational, financial, legal and external risks. Any increases to major risks are escalated to the Board. - QUARTERLY REVIEW: Each quarter the Board are updated on major risks and they advise on any areas where they feel controls or mitigation plans need strengthened.
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CURRENT MAJOR RISKS

GAP currently has the following major risks (impact/ likelihood):

1. Dependence on key staff (H/M)

Despite a wider Management Team of six experienced staff, the Partnership Team continue to cover a significant range of responsibilities. To mitigate against this we have:

- Begun to recruit for two new roles that bring specific skills to take on responsibilities currently lying with the partners;
- Continued to support, and trust in the senior staff team to take on an ever-expanding portfolio of responsibilities.

2. Lower unrestricted reserves than desirable (M/M):

GAP's income profile for the coming 12 months looks healthy, but unrestricted reserves are lower than at the beginning of the 2018-19 financial year. We still aim to achieve our objective of unrestricted reserves sufficient to cover three months of costs. To mitigate against this risk we have:

- i. Budgeted to generate an unrestricted reserve in the coming financial year that will return unrestricted reserves to the level held at the start of 2018-19 financial year;
- ii. Discontinued projects and activities that had a high drain on reserves;
- iii. Reduced back office core costs; and plan to reduce unnecessary drain on time currently spent managing an office space in the coming year;
- iv. Set a target for a healthy balance between restricted and unrestricted income so as to be able to generate a surplus in the coming financial year.

3. Maintaining high standards that we are now expected to deliver (H/M):

In 2018-19 GAP has achieved some good firsts for the organisation and has taken on ambitious programmes to make even greater impact from this new baseline. To increase impact we are venturing in to new categories of change programmes and new ways to influence sources of environmental damage, which require new skills and capabilities. To mitigate against this we:

- i. Will recruit two new experienced specialist roles to bring new skills to the organisation, and continue to review our collective capability as the organisation grows throughout the year;
- ii. Have and will continue to expand our network of partner organisations and sub-contractors who can contribute their skills to augment the in-house delivery capabilities of the GAP team;
- iii. Honed our service offering, and the environmental issues that we focus on, to ensure that we do not attempt to be experts on too many subjects than can realistically be mastered.

2. OBJECTIVES AND ACTIVITIES

2.1 OUR CHARITABLE PURPOSE

Global Action Plan was founded in 1993 and is part of an international network of 18 country members who share a common cause and aligned values.

OUR CAUSE

Climate change is a human problem. Technology and policy have a big role to play but people are key to the solution. We need to act.

- Our **vision** is a world where everyone is **consuming within the earth's limits** - and are enjoying happier and healthier lives.
- Our **mission** is to help people see, believe and act on the big win-win – what is good for us is good for the planet.

OUR PRINCIPLES

GAP UK has five principles which govern how we work:

WE CHALLENGE THE NORM

Radical change is needed - not incremental tweaks. We dare to think big and re-imagine how we live and work; to bring about real shifts in human behaviour and tackle systemic issues not symptoms.

WE INSPIRE CHANGE

We are stubborn optimists, we have no room for apathy, blame or negativity. We inspire, empower and motivate change and help people where they are at.

WE GET STUFF DONE

We work hard to have a real impact in everything we do. We aren't happy with talk, we want action, today.

WE SHARE OPENLY

We are honest, straight talking and open. Whether data, ideas, projects or tools we seek to share and collaborate for bigger impact.

WE LOOK OUT FOR EACH OTHER

We care about the planet but also the people we work with. We make sure that we achieve our mission but have fun doing it.

2.2 PRINCIPAL ACTIVITIES

Global Action Plan operates through three portfolios of activity:

SCHOOLS & YOUTH

Global Action Plan aims to show millions of young people that they have the means to solve environmental issues. Through projects such as *Water Explorer*, we help **schoolchildren and young people see that they're not powerless, but can make a** difference immediately where they live, and in wider society. Humanity is consuming more than the world can safely provide, which is contributing to climate change, pollution and huge damage to nature.

WELLBEING & CONSUMERISM

Global Action Plan is working to address the damage caused by consumerism. Our work is particularly aimed at young people, who are most affected by this issue. Young people are constantly exposed to the idea that who they are and what they have is not enough - and this is not making them happy. In fact, it is contributing to a mental health **epidemic among young people. Added to this, our society's relentless focus on** consumerism is harming the planet too.

The products and food we consume take 60% more resources from the Earth than it **can replenish each year. This "overshoot" is a major cause of climate change, pollution,** and the mass extinction of animals. Our solution is as follows: Young people are being let down and the planet destroyed needlessly. They lack a clear or inspiring vision of what happier, healthier, sustainable lifestyles look like, and there is little encouraging them to change the way they live.

CLEAN AIR

Global Action Plan is working with individuals, businesses, hospitals, schools and other organisations to tackle air pollution. People are a powerful force and should be central to beating pollution, but not enough is being done to inform, help and mobilise those concerned about pollution to take effective action. We know that helping people take action on air pollution leads to them both reducing pollution as well as avoiding breathing the worst pollution.

We believe that people's choices and voices have a crucial role to play. Choosing to drive less, switch to electric vehicles, and burn less fuel at home can get pollution down to safer levels. Choosing to use non-toxic products at home, walk or cycle instead of driving, and stroll down side streets instead of the main roads can cut the pollution we breathe by over 50%. Voicing support for major pollution-cutting action led by councils and government makes that action more likely to happen – from more public transport to tighter vehicle standards.

We're the coordinators of *Clean Air Day* the UK's largest air quality campaign, mobilising thousands of people to organise and take part in pollution-busting activities.

We persuaded Tesco, Network Rail, Engie and 16 of the country's largest car fleets to commit to ditching diesel.

2.3 CREATING A STRONG & RESILIENT ORGANISATION

We continued to build a strong and resilient organization and did this through five key areas:

INVESTING IN PEOPLE

- We continue to invest in staff development through training, away days, monthly all-team workshops and stronger performance management procedures.

CREATING A FINANCIALLY STRONG ORGANISATION

- We built a balanced portfolio of funders and have increasingly sought funding upfront to ensure good cashflow.
- We ensured there is a sound financial model with strong controls including forecasting, cash-flow, reporting and budgeting.
- We undertook rigorous quarterly financial reviews.
- We met all external auditing and reporting requirements.

CREATING BETTER OPERATIONAL PROCEDURES

- We built strong relationships with key suppliers and have established a preferred suppliers list.
- We measured and improved our environmental performance and continue to maintain our EMS to the equivalent level of ISO14001.

BUILDING STRONG PROJECT QUALITY

- We have embedded the use of the salesforce-based project management software to track project activity and outcomes
- We ensure that all projects have clear deliverables and target outcomes from the outset, approved by one of the two partners

CREATING STRONG GOVERNANCE AND RISK MANAGEMENT

- We continue to build open and on-going relationships with key funders through open six-monthly progress review sessions.
- We ensure that our equity investments are strongly managed with regular progress reporting to funders and the Board.
- We ensure there are strong legal contracts with all key stakeholders.

3. ACHIEVEMENTS AND PERFORMANCE

3.1 ENVIRONMENTAL BENEFITS

Global Action Plan measures **six areas of impacts** as our organisational key performance indicators. Three environmental impact measures and four indicators of numbers of people touched by our programmes.

GAP continues its policy of reporting those environmental and social benefits that have robust evidence. We have a measurement hierarchy whereby we always use actual measured impact data, where available, and supplement this with observed behaviour and self-reported behaviour where necessary.

This year we have continued to cite benefits measured only during the live phase of the programme, rather than annualising or estimating total impact over time.

We regularly review the way that we track and calculate our impacts. This includes reviewing carbon factors, data collection processes and calculations to ensure that we are being fair and accurate in our reporting.

Our impact figures can vary considerably from year to year depending on the projects that we are working on, and what stage they reach during the course of the year.

GAP's 2018-19 actual impact

KPI	2018-19	2017-18
CO2e savings (tonnes per year)	37,721	8,314
Energy savings (kWh per year)	1,445,743	415,619
Water savings (m3 per year)	2,577,095	3,372,178
Individuals trained	10,970	9,147
Individuals engaged	347,642	243,446
Direct and indirect reach	1,165,551,609	381,335,467

3.2 PROJECT ACHIEVEMENTS

SCHOOLS & YOUTH

- Over the last year we have engaged with young people 129,000 times through a combination of our two school water action programmes, and a smaller schools **programme focussed on electric vehicles. We've also trained 3,630 young people.** Overall, these programmes have engaged people 238,000 times, and have had an impressive reach of over 13 million. They have also resulted in 2.6 million m3 worth of water savings and 7,800 tonnes of CO2 savings.

Data collected through student surveys has shown that our programmes have resulted in young people attributing greater importance to values such as caring about nature, discovering something new, and developing new ideas.

HEALTH & WELLBEING

- Through our Joseph Rowntree Charitable Trust project we have delivered 6 workshop to 180 students aged 13-18 across the UK. We have developed 4 films **with them, captured quotes and photos. We're developing a parents and young person's guide to go alongside the comms campaign that will come later in the year.**

Our *Flickers for the Future* project, we have convened an Expert Panel of approx. 60 industry and subject experts; we have had our initial meeting with ~15 to gather insights. We have reached out to 60 films schools across the country with our sustainability workshop offer and have had several positive responses. Our Patron for the project is Richard Curtis, and other engaged members of our expert panel include Kevin Macdonald, Jacques Peretti and Pat Young.

Our *Goals for Good* progress to date, we have delivered workshops with participants in Hungary, Italy and the UK. We have designed and developed Practitioners Toolkits (for schools and workplaces) that have had over 67,000 opportunities to see and had almost 600 direct engagements.

CLEAN AIR

- We coordinate the UK's largest air pollution campaign *Clean Air Day*** which helped millions to learn about and take action to tackle air pollution.

On *Clean Air Day 2018*, through 1,750 media articles and 51,000 social media posts, the day had a reach of 970 million, and *#CleanAirDay* trended on Twitter for 8 hours. Two thousand organisations – including schools, hospitals, businesses, local authorities and charities – participated in the campaign, with over 550 events taking place up and down the country. *Clean Air Day 2019* is set to build on this success www.cleanairday.org.uk alongside the newly launched Clean Air Hub www.cleanairhub.org.uk, **that is now recognised as the UK's go-to public information service on how people can play a part in tackling air pollution.**

3.3 PUBLIC BENEFIT

In setting our objectives and planning our activities the Trustees have given careful consideration **to the Charity Commission's updated guidance on public benefit. The Trustees always ensure** that the programmes we undertake are in line with our charitable objects and aims, to protect and improve the natural environment. We measure the environmental savings that each of our programmes achieve, these are set out above.

In addition to environmental impact reduction, many of our projects deliver added social benefits. These include:

- Increasing employability of young people, incorporating work-readiness activities in to our environmental schools programmes;
- Easing the pressure that young people face to buy consumables, and the likelihood that exposure to advertising and social media will lead to anxiety, self-esteem and other mental health and wellbeing issues;
- Reducing the exposure of vulnerable groups, and the public at large, to air pollution.

4. FINANCIAL REVIEW

4.1 OVERVIEW

Global Action Plan generated a deficit in 2018-19 of £533,980 (2017-18 – surplus of £524,084), of which £371,413 was from restricted funds, resulting in an unrestricted deficit for the year of £162,567. Total reserves at 31 March 2019 were £388,570, with £330,752 of restricted reserves and £57,818 of unrestricted reserves.

Income in 2018-19 was £1,104,031, a 56% reduction from 2017-18, due to substantially reduced funding from HSBC Bank Plc for the *Water Explorer* programme and the conclusion of our energy reduction programme with Sainsbury's. **The unrestricted loss arose as GAP explored new funding sources to deliver its new mission and strategy and replace these significant funders.** This was successful in the second half of 2018-19, but not before the charity had incurred an unrestricted loss in the first half of the year and instigated steps to reduce our cost base.

The restricted loss arose from the delivery of the fourth year of the HSBC Bank Plc funded *Water Explorer* programme, together with the *Goals 4 Good* programme, funded by the KR Foundation of Denmark. The funding for both of these programmes had been received in the previous financial year.

4.2 SIGNIFICANT FUNDERS

- **SCHOOLS & YOUTH PROGRAMMES:** As was the case in the last four financial years, activity was dominated by *Water Explorer* – our international schools water programme, funded by HSBC Bank plc. A final tranche of funding totalling £193,189 was received in November 2018 to run the programme for a fifth academic year in the UK and to update the online resources. However, most of the activity and expenditure in the financial year related to the delivery of the fourth academic year of the programme, the funding of which was received in the prior year and carried forward as a restricted reserve.

A significant proportion of the fourth-year grant went to fund local delivery partners, most being fellow members of the Global Action Plan International network, who delivered the programme in each of the ten countries it operated in outside of the UK. These payments, together with GAP UK staff time in planning and managing the programme and delivering it in the UK utilised the £540,964 carried forward restricted reserve. A proportion of fifth academic year grant was utilised in 2018-19, but a restricted reserve of £85,951 was carried forward at 31st March.

In addition, we continued to deliver the H2O Heroes water engagement programme with ten London schools for Thames Water.

- **HEALTH & WELLBEING:** In 2017-18 GAP commenced the delivery of the *Goals 4 Good* project funded by a grant of DKK2.8m (approximately £317,000) from the KR Foundation in Denmark. This programme is a two-year scientific study of young people on materialism and its impact on health, wellbeing and happiness and is being run in conjunction with two of our international partners in Italy and Hungary. The majority of the £161,201 restricted reserve, representing previously received funding for this project, was expended in the financial year. A total of £33,372 was carried forward as a restricted reserve at 31st March which, together with the final 10% of the grant to be paid on completion, will fund the programme through to conclusion in late 2019.

In December 2018 Global Action Plan won further funding of DKK3.1m (approximately £365,000) from the KR Foundation for a second youth wellbeing project under the proposal name **"Boiling Frogs; getting Generation Netflix to jump out of the pan"**. The initial funding instalment of £213,207 was received in December 2018. This project, now launched as *Flickers for the Future*, was still in the early planning stage at 31st March 2019 and consequently a restricted reserve of £211,429 was carried forward.

In addition, GAP concluded the project with Manchester University Hospital delivering our *Operation TLC* energy efficiency programme.

- **CLEANER AIR:** During this financial year we successfully delivered the second *Clean Air Day*, which took place in June 2018. This was funded by £90,000 from DEFRA, along with grants of £26,600 from the Scottish Government and £10,000 from Mark Leonard Trust. In addition, GAP received significant commercial sponsorship for *Clean Air Day* and programmes linked to the day such as the development of the *Clean Van Commitment*. Great Ormond Street Hospital contributed funding towards the development of the *Clean Air Hospital Framework*.
- **SUSTAINABLE BUSINESS:** GAP continued, and extended, our project with the Singapore Green Building Council to deliver training in behaviour change techniques.
- **UNRESTRICTED DONATIONS & CORE FUNDING:** Unrestricted donations and grants for the year were £72,336. The most significant was the second year of a two-year core funding donation of £35,000 from the Mark Leonard Trust. In addition, GAP won an unrestricted grant totalling £110,000 from the Joseph Rowntree Charitable Trust, the first instalment of £22,000 was received in January 2019. This funding will be used to run campaigns and extend our **work on consumerism and its effect on young people's wellbeing**.

Donated Services totalled £21,000, with GAP receiving pro-bono research into air quality from research services company Opinium.

4.3 REVENUE PARTICIPATION AGREEMENTS

We completed the final year of the five-year revenue participation agreement with the Ignite Foundation. This originally provided £317,000 of quasi-equity loan funding for GAP to run our Catalyst programme; training thirty young NEETs each year, up to five of whom would spend a year working for the Charity. In 2018 GAP choose not to run the training programme, instead retaining the two NEETS recruited in 2017 for a further year. This was one of the actions taken to manage down our cost base in response to reduced income levels. The end of our **energy reduction programme with Sainsbury's resulted in a significantly reduced revenue participation** payment for the final year and, consequently, the loan was revalued at 31 March 2019 which resulted in a credit of £66,596 to the Statement of Financial Activities.

Global Action Plan continued to make repayments to Esmée Fairbairn Foundation and CAF Venturesome under the terms of the renegotiated December 2010 revenue participation agreement. Effective **from 1 April 2015 the repayments have been based on 0.75% of GAP's total** gross unrestricted income. Based on the actual and projected future financial performance of the Charity the loan was revalued at 31 March 2019 which resulted in a credit of £8,560 to the Statement of Financial Activities.

4.4 RESERVES POLICY

Global Action Plan's long-term objective is to generate unrestricted reserves equal to three months expenditure. Based on the current size of the Charity, this would amount to £400,000. This is our target because a high percentage of our cost base (44% in 2018-19) is payroll cost and, as a result, a period of at least three months is necessary for the organisation to restructure itself to cope with a sudden downturn in income.

In December 2016 the Board approved a new mission and strategy for Global Action Plan. This involved a gradual exit from those businesses **which either couldn't be sustained at a sufficient scale or weren't a good fit with** the new strategy. We also exited businesses from which we were unable to generate a surplus. This transition has now been completed and we have continued to grow and diversify the funding of our Cleaner Air portfolio. However, it has taken some time to establish GAP in the area of youth and consumerism where we feel we can achieve a significant impact if we are able to generate sufficient funding.

Partly because of the challenge in attracting new funders as existing programmes came to an end Global Action Plan generated an unrestricted deficit for the year of £162,567 in 2018-19 which reduced our unrestricted reserves to a balance of £57,818.

At 31 March 2019 GAP had a total of £330,752 of restricted reserves. These related to the *Water Explorer* programme, funded by HSBC Bank plc and the *Goals 4 Good* and *Flickers for the Future* programmes funded KR Foundation, both are described in section 4.2 above. The expenditure related to the delivery of these programmes is budgeted to take place during 2019-20, with the expenditure spread throughout the year.

4.5 LSx MERGER

The Board of Global Action Plan has entered into discussions with the Board of London Sustainability Exchange (LSx) regarding the potential merger of the two charities. The combination of the charities, which will be accounted for through the acquisition of the net assets of LSx by GAP, has been approved by the LSx Trustees and will be proposed for approval at the GAP Board meeting on 11th November 2019. The transaction is likely to be completed in December 2019.

At 31 March 2019 LSx had net assets and reserves in excess of £150,000 and unrestricted reserves in excess of £100,000. Current forecasts suggest that the transaction will enhance **GAP's unrestricted reserves and cash balance. However, the impact of this has not yet been reflected in GAP's forecast for 2019-20 or cash-flow projection set out in section 4.7 below or note 1(b) on page 33.**

4.6 FINANCIAL CONTROLS

The following controls are in place to ensure that we continue to operate with positive working capital and generate a financial surplus.

INCOME	<ul style="list-style-type: none"> - COSTING STAFF TIME: Standard minimum day rates for each role are derived each year from the approved budget. These rates are designed to cover staff direct costs plus a proportion of overheads and are used for all bids and commercial contract negotiations. Use of lower day rates requires approval from GAP's Senior Partner and Finance Director. - PLANNING SURPLUS: All private-sector projects use the above method to build in a contribution to charitable surplus – if standard rates are used then this should result in a 20% contribution.
FINANCIAL REVIEW	<ul style="list-style-type: none"> - WEEKLY CASHFLOW: The Finance Director reviews a detailed cash flow forecast weekly. - MONTHLY MANAGEMENT ACCOUNTS: The Senior Partner, Finance Director and Treasurer review the monthly management accounts, which include a comparison of actual performance with budget, plus a six-month cash-flow forecast, including the sales pipeline, on a monthly basis. - BOARD REVIEW: The Board receives management accounts on a -monthly basis and these are discussed in detail, together with the sales pipeline, at quarterly Board meetings.
PERFORMANCE CHECK POINTS	<ul style="list-style-type: none"> - A forecast of financial performance for the year is prepared on a quarterly basis for the Board and presented and discussed alongside the sales pipeline of grant funding bids and commercial proposals submitted. - The Management team review past performance from a financial and impact perspective at both project and departmental level on a quarterly basis. Together with quarterly income and delivery projections this forms the basis of recruitment/redundancy decisions.
EXPENDITURE	<ul style="list-style-type: none"> - A policy of financial authority limits is in place setting out levels of expenditure for approval by the Board, the Partnership Team and senior staff.

4.7 2019-20 BUSINESS PLAN & GOING CONCERN

The annual business planning process is overseen by the Board and managed by the Partnership Team.

The business plan for 2019-20 anticipates a reduction in restricted income as funding for existing projects comes to an end. Some of this funding is replaced by a grant from the #iwill Fund (set up jointly by The National Lottery Community Fund and DCMS) to launch the *Transform our World* schools programme. In addition, we have budgeted for growth in unrestricted funding as we look for sponsorship to expand *Transform our World* and our Cleaner Air programmes, including *Clean Air Day*. Overall, income is budgeted to increase by 15% compared with 2018-19.

The cost base of the Charity was reduced in the prior financial year and consequently we have been able to budget to achieve a surplus on our unrestricted activities. This will help us to rebuild our unrestricted reserves back towards the £200,000 that we had achieved at the end of the 2017-18 financial year. However, the budget shows an overall loss as GAP completes the delivery of the *Water Explorer* and *Goals 4 Good* programmes for which it has previously received restricted funding and commences the delivery of the *Flickers for the Future* project for which we received the initial tranche of funding last year.

Our latest forecast, on which cash-flow projections have been based, show that 71% of budgeted income for the financial year has been secured and the Charity is still on course to achieve a small surplus on our unrestricted activities in 2019-20. Although most of our income for the next 18 months has still to be secured, we currently have a strong income pipeline and an expectation that our new mission and strategy will continue to generate new funders.

The cash-flow projection shows a sufficient cash reserve throughout this period to give the Trustees confidence that GAP can withstand an income shortfall and continue as a going concern for the foreseeable future.

GAP meets its day to day working capital requirements from cash reserves and has a small overdraft facility with the Co-operative Bank which is repayable on demand. The Charity has been fortunate in the past to secure a portfolio of long-term finance arrangements to underpin its balance sheet, these include revenue participation agreements, which are accounted for as loans. These existing funding arrangements are now coming to an end and the Charity will be looking to develop new long-term funding relationships, as well as rebuilding unrestricted reserves, in order to have a sufficient buffer against shortfalls in income generation.

We are very grateful to our funders for giving us this long-term cash security in recent years: CAF Venturesome, Esmée Fairbairn Foundation, the Ignite Foundation and the Mark Leonard Trust. In addition, HSBC Bank plc, the KR Foundation and now the #iwill Fund have provided restricted grant funding in advance of project expenditures. We meet with these key funders at least two times each year to share challenges, opportunities and organisational as well as funding-specific performance data.

5. FUTURE PLANS

5.1 MISSION

In 2017 Global Action Plan decided to take on a new challenge of presenting an attractive alternative to consumerism. Supporting people, especially young people, to move to a more fulfilling and healthier life beyond consumerism.

This addition of tackling consumerism compliments two continued parts of our mission – reducing air pollution and supporting environmental action by children.

Throughout 2018, **the charity's work** on air pollution has become increasingly effective and important to the environment sector as a whole, as exemplified by the charity becoming the **coordinators for the UK's largest public mobilisation campaign on air pollution – Clean Air Day.**

The three strategies adopted by the charity in early 2017 have continued to be the central strategy of the organisation:

1. Focusing our thought leadership, marketing and delivery activities on reducing the environmental impact of material consumption in particular.

- In 2017-18 the *Goals 4 Good* project was initiated to demonstrate that **young people's wellbeing increases, and environmental footprint decreases, when they** set healthy goals for their future. The project is running in the UK, Hungary and Italy, scheduled for completion in 2019. Through face to face conversations in working groups with their peers and Global Action Plan, young people are **supported to work through the "5 ways to wellbeing" framework to focus their** ambitions on the subjects that social science has proven typically lead to greater happiness in wealthy economies.
- In early 2019, our first major beyond consumerism campaign began, starting with exploring how teenagers feel about the pressures heaped on them to buy things and look a certain way. The worrying findings of this research will be the subject of a campaign launched in 2019 to demand an end to the consumerist pressures targeted at young people.

2. Narrowing our main beneficiaries to young people (<30yo) and targeting our activities and marketing at that age group and the actors who influence them.

- In 2017 Global Action Plan established its first Youth Advisory Panel. 18 young **people meet regularly to guide the charity's youth programme activity and have** attended business conferences to directly influence the sustainability of the business community. In 2018-19 this group launched their first campaign – **"Long**

Live The Lunchbox – which saw dozens of food outlets pledge to serve people meals in lunchboxes they bring into the store instead of giving out single use packaging.

- The *Water Explorer* programme has continued to deliver extensive support for young people who wish to change the consumptive nature of society. Continued for an extended final year until October 2019, the programme will exceed its ambitions and support over 4,000 schools across 13 countries to minimise water consumption, including the hidden consumption of water in the food and products that we buy.

3. Continuing to develop public-facing campaigns that promote joint environment and individual health benefits.

- *Clean Air Day* was an incredible success in 2017 and the second running of the day in 2018 achieved even greater impact. The campaign involved over 2,000 organisations, saw 550 events around the country, received backing from Defra and the Scottish Government and created media and social media coverage worth £6m.
- *Clean Air Day* has been combined with targeted interventions that are reducing air pollution in sectors where progress was observed to be slow. The *Clean Air Hospital Framework*, run in partnership with Great Ormond Street Hospital has created a guide for any hospital to make an action plan to reduce air pollution around its hospital. The *Clean Van Commitment* has demonstrated to government, the energy sector and the van manufacturing sector that major fleets are committed to swapping out diesel vans for electric vans.

5.2 ACTIVITIES & TARGETS

Global Action Plan has three main portfolios of activity and five impact targets through which we will be measuring our success:

PORTFOLIOS:

1. **SCHOOLS & YOUTH** – programmes to help young people to take action to reduce levels of consumption;
2. **WELLBEING & CONSUMERISM** – research, campaigns and actions to raise public awareness on the links between personal health and the consumption of resources e.g. beyond consumerism projects.

3. **CLEAN AIR** – improving air quality through public action and institutions, including; *Clean Air Day*, the *Clean Air Hub*, *Clean Van Commitment* and *Clean Air Hospital Framework*.

TARGETS AND PROGRESS:

By 2020 we will have:

1. Empowered **500 young people** to trial low-impact lifestyle changes;

PROGRESS: over 600 young people have engaged with our *Goals 4 Good* to learn about how to set goals to maximise wellbeing. Half of these participants have completed the course with explicit environmental messaging.

2. Activated **200,000 young people** to take steps to reduce excessive consumption;

PROGRESS: There have now been 238,000 *Water Explorer* team members working to reduce water consumption and embedded water use across the globe.

3. Reached **10 million young people** with an aspirational narrative on low-consumption living;

PROGRESS: Our *Clean Air Day* and *Water Explorer* programmes have to date had a reach of over 1.9 billion. **This reach figure primarily comprises “opportunities to see” which means the opportunities to find out more information about environmental issues in print, tv, radio, social media, online news or in person.** It is difficult to say how many individuals have been ‘reached’ with these opportunities to see, but so far we have created 190 opportunities to see per person in our 10 million target.

4. Saved over **5million Tonnes of carbon** through helping young people to consume less;

PROGRESS: Over the past four years Global Action Plan programmes have saved in excess of 93,000 tonnes of CO₂.

5. Supported young people across the UK to **raise the profile of one major “throwaway” issue and** instigate wider institutional change to facilitate the circular economy.

PROGRESS: The Youth Advisory Panel launched their first campaign in February 2019 called Long live the Lunch box. Currently there are 140 businesses engaged with the campaign.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law.

Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its net incoming/outgoing resources for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue to operate.

The trustees are responsible for keeping proper accounting records that are sufficient to show **and explain the charitable company's transactions and disclose with reasonable accuracy at** any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland). 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.


In so far as each of the trustees of the charitable company at the date of approval of this report is aware, there is no relevant audit information (information needed by the charitable company's auditor in connection with preparing the audit report) of which the charitable company's auditor is unaware. Each trustee has taken all of the steps that he/she should have taken as a trustee in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditors

Crowe U.K. LLP has indicated its willingness to be reappointed as statutory auditor.

This report has been prepared taking advantage of the exemptions available under the provisions of the Companies Act 2006 applicable to small companies.

Approved by the Board of Trustees on 11th November 2019 and signed on its behalf by:

A handwritten signature in black ink, appearing to read "Jeremy Oppenheim", written over a horizontal dotted line.

Jeremy Oppenheim

Chair, Board of Trustees

A handwritten signature in black ink, appearing to read "Jonathan Katz", written over a horizontal dotted line.

Jonathan Katz

Treasurer, Board of Trustees

201 Borough High Street, London, SE1 1JA

INDEPENDENT AUDITOR'S REPORT

To the Members of Global Action Plan

Independent Auditor's report to the members of Global Action Plan

Opinion

We have audited the financial statements of Global Action Plan for the year ended 31 March 2019 which comprise Statement of Financial Activities, Balance Sheet, Statement of Cash Flow and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2019 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the **Auditor's responsibilities for the audit of the financial statements** section of our report. We are independent of the charitable company in accordance with the ethical requirements that are **relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard**, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 1 (b) on page 33 of the financial statements, which indicates that Global Action Plan, like many charities, does not have adequate secured funding in place to meet its future commitments and is dependent on meeting income generation targets to continue as a going concern. As stated in note 1 (b), these events or conditions, along with the other matters as set forth in note 1 (b), indicate that a material uncertainty exists that may cast **significant doubt on the company's ability to continue as a going concern**. Our opinion is not modified in respect of this matter.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the **directors' report included within the trustees' report.**

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in **preparing the trustees' report.**

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an **auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.**

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the

Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Tim Redwood

Senior Statutory Auditor

For and on behalf of Crowe U.K. LLP, Statutory Auditor, London

Date: 29 NOVEMBER 2019

Crowe U.K. LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

ANNUAL ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2019

STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2019

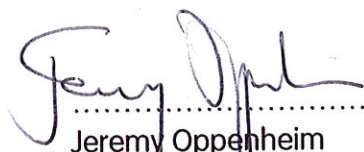
	Notes	Year to 31 March 2019			Year to 31 March 2018
		Restricted Funds	Unrestricted Funds	Total	
		£	£	£	£
Income from:					
Donations		-	72,336	72,336	64,942
Donated services	3	-	21,000	21,000	19,600
Donations and legacies		-	93,336	93,336	84,542
Other trading activities		-	66,342	66,342	67,186
Investments		-	1,196	1,196	37
Charitable activities					
Schools & Youth		193,189	62,708	255,897	1,267,515
Health & Wellbeing		219,677	21,118	240,795	110,387
Cleaner Air		36,600	278,375	314,975	382,484
Sustainable Business		-	131,490	131,490	606,056
Total charitable activities		449,466	493,691	943,157	2,366,442
Total	2	449,466	654,565	1,104,031	2,518,207
Expenditure on:					
Raising funds		-	23,423	23,423	21,631
Charitable activities					
Schools & Youth		648,202	69,664	717,866	971,210
Health & Wellbeing		150,225	80,719	230,944	138,018
Cleaner Air		36,600	467,981	504,581	447,628
Sustainable Business		-	161,197	161,197	415,636
Total charitable activities		835,027	779,561	1,614,588	1,972,492
Total	4	835,027	802,984	1,638,011	1,994,123
Net income		(385,561)	(148,419)	(533,980)	524,084
Transfers between funds	12	14,148	(14,148)	-	-
Net movement in funds		(371,413)	(162,567)	(533,980)	524,084
Total funds brought forward		702,165	220,385	922,550	398,466
Total funds carried forward		330,752	57,818	388,570	922,550

The notes on pages 33 to 48 form part of these accounts.

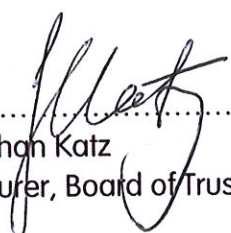
BALANCE SHEET AS AT 31 MARCH 2019

	Notes	31 March 2019 £	31 March 2018 £
Fixed assets:			
Intangible assets		2,111	4,414
Tangible assets		12,228	791
Total fixed assets	7	<u>14,339</u>	<u>5,205</u>
Current assets:			
Debtors	8	157,553	286,663
Cash at bank and in hand		459,338	1,062,421
Total current assets		<u>616,891</u>	<u>1,349,084</u>
Liabilities:			
Creditors: Amounts falling due within one year	9	(214,205)	(320,720)
Net current assets		<u>402,686</u>	<u>1,028,364</u>
Total assets less current liabilities		417,025	1,033,569
Creditors: Amounts falling due after one year	9	(28,455)	(111,019)
Net assets		<u>388,570</u>	<u>922,550</u>
The funds of the charity:	11		
Restricted funds	11,12	330,752	702,165
Unrestricted funds	11,12	57,818	220,385
Total charity funds		<u>388,570</u>	<u>922,550</u>

These financial statements were approved and authorised for issue by the Board of Trustees on 11th November 2019 and are signed on their behalf by:



 Jeremy Oppenheim
 Chair, Board of Trustees



 Jonathon Katz
 Treasurer, Board of Trustees

201 Borough High Street, London, SE1 1JA
 Registered Company in England and Wales No. 2838296

The notes on pages 33 to 48 form part of these accounts.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2019

	31 March 2019 £	31 March 2018 £
Cash flows from operating activities:		
Net cash provided by operating activities	<u>(529,981)</u>	<u>609,083</u>
Cash flows from investing activities:		
Interest received	1,196	37
Purchase of tangible fixed assets	(15,050)	-
Purchase of intangible fixed assets	-	-
Net cash provided by (used in) investing activities	<u>(13,854)</u>	<u>37</u>
Cash flows from financing activities:		
Repayment of borrowings	(59,248)	(71,502)
Net cash used in financing activities	<u>(59,248)</u>	<u>(71,502)</u>
Change in cash and cash equivalents in the reporting period	<u>(603,083)</u>	<u>537,618</u>
Cash and cash equivalents at the beginning of the reporting period	1,062,421	524,803
Cash and cash equivalents at the end of the reporting period	<u>459,338</u>	<u>1,062,421</u>

	31 March 2019 £	31 March 2018 £
Net income for the reporting period	(533,980)	524,084
Adjustments for:		
Depreciation charges	5,916	76,415
Revaluation of borrowings	(75,156)	(63,564)
Interest received	(1,196)	(37)
Decrease/ (increase) in debtors	129,110	(41,456)
(Decrease)/ increase in creditors	(54,675)	113,641
Net cash provided by operating activities	<u>(529,981)</u>	<u>609,083</u>

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

1. ACCOUNTING POLICIES

(a) Charity Information

The Charity is a private limited company (registered number 2838296), which is incorporated and domiciled in the UK and is a public benefit entity. The address of the registered office is 201 Borough High Street, London, SE1 1JA. The Charity is registered in England and Wales (registered number 1026148) and in Scotland (registered number SC041260).

(b) Basis of Preparation of the Accounts

The accounts (financial statements) have been prepared in accordance with the Charities SORP (FRS102) applicable to charities preparing their accounts in accordance with FRS102 the Financial Reporting Standard applicable in the UK and Republic of Ireland, the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 and UK Generally Accepted Practice.

Going concern

The trustees have considered the Charity's ability to continue as a going concern for the foreseeable future. Global Action Plan is dependent on unsecured income to meet its future commitments.

Global Action Plan's planning process and financial projections have taken into consideration **the issues and risks around income generation and reserves as set out in the trustees' report**, as well as the current economic climate and its potential impact on income and planned expenditure.

During 2018-19, the Charity generated an unrestricted deficit which reduced unrestricted reserves. A budget for 2019-20 has been approved by the Board that would generate a surplus on our unrestricted activities and rebuild unrestricted reserves. Although a significant proportion of income is yet to be secured, the latest forecast shows that the Charity is on course to achieve a small unrestricted surplus.

A preliminary budget for 2020-21 assumes 30% growth in income versus 2019-20. As is normally the case at this point in the year, almost all the income is yet to be secured. The resulting cash-flow forecast through until March 2021 shows that cash is expected to remain above £170,000, with an average balance of £260,000 across the 18-month period.

1. ACCOUNTING POLICIES (CONTINUED)

A sensitivity analysis has been performed, with no income growth and versus 2019-20, which shows that a positive cash balance would be maintained, even allowing for a modest increase in headcount.

Consequently, Global Action Plan are confident that any income shortfall can be managed, and the Charity continue as a going concern for the foreseeable future. However, because of the high level of unsecured income in both years, the trustees consider that an uncertainty does exist.

(c) Donations and grants receivable

Donations and grants receivable, including capital grants, are brought into the accounts on receipt or when receivable, where the Charity has certainty of receipt. Income is deferred only when:

- the Charity has still to fulfil significant conditions before becoming entitled to the income; or
- the donor has specified that the income is to be expended in a future period.

(d) Donated services

Donated services comprise donated services and facilities and are included in income where such donations are financially quantifiable, at an estimate of the value of the benefit to the Charity.

(e) Sales of products and services

In respect of contracts or ongoing services, turnover represents the value of work done in the year including estimates of amounts not invoiced. Turnover in respect of long-term contracts and contracts for ongoing services is recognised by reference to the stage of completion. Sales of products and services represent amounts invoiced during the year, exclusive of value added tax.

(f) Expenditure

Resources expended are recognised in the period in which they are incurred. Resources expended are allocated to the particular activity where the cost relates directly to that activity. Certain costs, which are attributable to more than one activity, are apportioned across cost categories on the basis of an estimate of the proportion of time spent by personnel on those activities or, if not appropriate, in proportion to the income attributable to those activities.

1. ACCOUNTING POLICIES (CONTINUED)

(g) Costs of raising funds

Costs of raising funds incorporate the salaries, direct expenditure and overhead costs of the staff involved in raising voluntary income for the Charity's use.

(h) Charitable activities costs

Charitable activities costs comprise those costs incurred in pursuing the charitable aims of the Charity. In particular, they include the costs of delivering Global Action Plan's programmes to participators.

(i) Support costs

Support costs are those costs incurred by the Charity in development and support of its main activities and projects. These are absorbed within direct project costs as shown in Note 4. Support costs are allocated to the various charitable activities on the basis of the proportion of direct staff costs incurred by each activity.

(j) Pension costs

The company operates two defined contribution pension schemes for employees. The assets of the scheme are held separately from those of the Charity. The annual contributions payable are charged to the profit and loss account.

(k) Fund accounting

Funds held by the Charity can be:

- (i) Unrestricted general funds – these are funds without specified purpose and are available as general funds.
- (ii) Designated funds – these are funds set aside by the Trustees out of unrestricted general funds for specific future purposes or projects.
- (iii) Restricted funds – these are funds which can only be used for particular restricted purposes within the objects of the Charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Transfers between funds are made to cover deficits on individual restricted funds and to recognise fixed assets acquired with restricted income, but with no further restriction on use, within unrestricted funds.

1. ACCOUNTING POLICIES (CONTINUED)

(l) Operating Lease Agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits in equal annual amounts over the period of the lease.

(m) Fixed Assets

Fixed assets are included at cost.

Depreciation is calculated so as to write off the cost of fixed assets over their anticipated useful life. It is applied on a straight-line basis at the following rates:

Intangible assets	Website	33%
Tangible assets	Eco-Interactive display equipment	20%
	Office equipment	33%

Where fixed assets are located within an unrestricted fund and are utilised on a temporary basis within a restricted fund the depreciation charge is apportioned between funds on a rational basis.

Fixed assets costing less than £500 are not capitalised.

Impairment reviews are carried out annually on the net book value of fixed assets.

(n) Website development costs

Website planning costs are charged to the Statement of Financial Activities (SOFA) as incurred. Other website costs are capitalised as an intangible fixed asset only where they lead to the creation of an enduring asset delivering tangible future benefits whose value is at least as great as the amount capitalised. An impairment review is undertaken of the net asset value of the website at each Balance Sheet date. Expenditure to maintain or operate the developed website is charged to the SOFA.

(o) Segmental analysis

Material segments are separately disclosed on the face of the SOFA, based on the audience and nature of projects.

1. ACCOUNTING POLICIES (CONTINUED)

(p) Financial Instruments

The Charity has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost using the effective interest method. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors. Financial liabilities held at amortised cost comprise trade and other creditors.

Loans arising from revenue participation agreements are held at fair value at the balance sheet date, with gains and losses being recognised within the Statement of Financial Activities, as described in note 9.

(q) Key Judgements and assumptions

In the application of the Charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects the current and future periods.

The charity recognises its liability arising from revenue participation agreements which involves a number of estimations with regard to future income as disclosed in note 9.

In the view of the Trustees, no other assumptions concerning the future or estimation uncertainty affecting assets and liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

2. ANALYSIS OF INCOME

	Restricted	Unrestricted	Total
	£	£	£
Voluntary income			
Mark Leonard Trust	-	35,000	35,000
Joseph Rowntree Charitable Trust		22,000	22,000
Public Sector and Not for Profit Organisations		12,890	12,890
Other donations	-	2,446	2,446
	-	72,336	72,336
Donated Services	-	21,000	21,000
Other trading activities	-	66,342	66,342
Investments			
Interest income	-	1,196	1,196
Income from charitable activities			
Schools & Youth			
HSBC Bank plc	193,189	-	193,189
Commercial Organisations	-	48,597	48,597
Public Sector and Not for Profit Organisations		14,111	14,111
	193,189	62,708	255,897
Health & Wellbeing			
KR Foundation	219,677	-	219,677
NHS Health Trusts	-	21,000	21,000
Public Sector and Not for Profit Organisations	-	118	118
	219,677	21,118	240,795
Cleaner Air			
National Government	26,600	112,000	138,600
Commercial Organisations	-	105,500	105,500
NHS Health Trusts	-	43,000	43,000
Public Sector and Not for Profit Organisations	10,000	17,875	27,875
	36,600	278,375	314,975
Sustainable Business			
Commercial Organisations	-	131,340	131,340
Public Sector and Not for Profit Organisations	-	150	150
	-	131,490	131,490
Total income	449,466	654,565	1,104,031

3. DONATED SERVICES

	Year to 31 March 2019 £	Year to 31 March 2018 £
Professional and consultancy fees	21,000	12,400
Office space and costs	-	7,200
	<u>21,000</u>	<u>19,600</u>

In addition to donated services, the Charity has been supported by a small number of volunteers. Students have taken part in short-term internships which have contributed to both the programmes delivered and their studies. In addition, the Charity has benefited from the support of an HR specialist.

4. ANALYSIS OF EXPENDITURE

			Apportioned	Apportioned	
	Staff Costs	Other Direct Costs	Staff Support Costs	Other Support Costs	Total Costs
	£	£	£	£	£
Schools & Youth	177,361	376,727	50,682	113,096	717,866
Health & Wellbeing	74,604	87,448	21,319	47,573	230,944
Cleaner Air	223,636	74,434	63,906	142,605	504,581
Sustainable Business	56,484	52,554	16,141	36,018	161,197
Raising funds	12,178	-	3,480	7,765	23,423
Support costs	155,528	347,057	(155,528)	(347,057)	-
Total expenditure	<u>699,791</u>	<u>938,220</u>	<u>-</u>	<u>-</u>	<u>1,638,011</u>

Staff support costs and other support costs have been allocated to charitable activities in proportion to direct staff costs of those activities. Comparatives for the above are given on the face of the Statement of Financial Activities.

Within support costs, above, governance costs totalled £31,851 (2018 - £34,400).

4. ANALYSIS OF EXPENDITURE (continued)

	Year to 31 March 2019 £	Year to 31 March 2018 £
Expenditure is stated after charging:		
Depreciation of intangible fixed assets	2,303	70,993
Depreciation of tangible fixed assets	3,613	5,422
Total depreciation	<u>5,916</u>	<u>76,415</u>
Auditor's remuneration:		
External audit	14,000	12,300
Other services	-	4,020
	<u>14,000</u>	<u>16,320</u>
Rental under operating leases::		
Premises	122,670	127,190
Equipment	2,110	1,335
	<u>124,780</u>	<u>128,525</u>

5. EMPLOYEES AND STAFF COSTS

	Year to 31 March 2019 £	Year to 31 March 2018 £
Wages and salaries	624,515	672,255
Social security costs	57,237	63,183
Employer's contribution to pension schemes	18,039	19,340
	<u>699,791</u>	<u>754,778</u>

Within the above totals redundancy and termination payments relating to three employees totalled £25,700 (2018 - £nil).

The emoluments of one member of staff, including benefits in kind, are within the range of £60,000 to £69,999 (2018 – nil).

The remuneration paid to and employee benefits received by key management during the financial year, together with the associated employer's National Insurance contributions, totalled £153,551 (2018 - £122,323). The constitution of the Charity forbids any trustee to be remunerated. No expenses were reimbursed to the Trustees during the year (2018 - £nil).

The average number of staff employed by the Charity during the year was 20 (2018- 23), of which an average of 10 (2018- 9) staff were employed part-time.

6. TAXATION

The company is a registered charity and it is considered that its activities and relationships are such that no corporation taxation liability will arise.

7. FIXED ASSETS

	Intangible assets Website	Tangible assets Interactive display equipment	Office equipment	Total Fixed assets
	£	£	£	£
Cost				
At 31 March 2018	254,193	83,585	45,367	383,145
Additions	-	-	15,050	15,050
Disposals	-	(35,087)	(28,446)	(63,533)
At 31 March 2019	<u>254,193</u>	<u>48,498</u>	<u>31,971</u>	<u>334,662</u>
Depreciation				
At 31 March 2018	249,779	83,585	44,576	377,940
Charge for year	2,303	-	3,613	5,916
Disposals	-	(35,087)	(28,446)	(63,533)
At 31 March 2019	<u>252,082</u>	<u>48,498</u>	<u>19,743</u>	<u>320,323</u>
Net Book Value				
At 31 March 2019	<u>2,111</u>	<u>-</u>	<u>12,228</u>	<u>14,339</u>
At 31 March 2018	<u>4,414</u>	<u>-</u>	<u>791</u>	<u>5,205</u>

8. DEBTORS

	2019	2018
	£	£
Trade debtors	41,765	212,150
Other debtors	3,199	1,750
Prepayments	72,589	72,763
Accrued income	40,000	-
	<u>157,553</u>	<u>286,663</u>

9. CREDITORS

Amounts falling due within one year:-

	2019	2018
	£	£
Loans	21,338	69,017
Trade creditors	17,192	25,515
Other creditors	2,227	2,581
Taxation and social security	12,956	45,286
Accruals	94,493	97,321
Deferred income	65,999	81,000
	<u>214,205</u>	<u>320,720</u>

Amounts falling due after one year:-

	2019	2018
	£	£
Loans due between one & two years	14,953	86,205
Loans due between two and five years	13,502	24,814
	<u>28,455</u>	<u>111,019</u>

Movement in deferred income:-

	2019	2018
	£	£
Brought forward	81,000	26,000
Amount deferred in the year	65,999	81,000
Released to the Statement of Financial Activities	(81,000)	(26,000)
	<u>65,999</u>	<u>81,000</u>

9. CREDITORS (continued)

The Charity's overdraft facility is secured by a fixed and floating charge over all of the Charity's assets and interest is charged at a rate of 4.0% above the bank's published base rate.

At the year end, Global Action Plan had loans totalling £49,793, the outstanding balance of loans made in December 2010 by the Esmée Fairbairn Foundation and Venturesome, a subsidiary of the Charities Aid Foundation, and in April 2014 by Ignite Social Enterprise LP. All loans are unsecured.

An amount of £45,633 due to the Esmée Fairbairn Foundation and Venturesome is outstanding at year end, the balance of a loan made in December 2010. Under the terms of the revenue participation agreement, which was amended in July 2015, this will be repaid in quarterly instalments from future revenue between 1 April 2016 and 31 March 2022 at a cost of 0.75% of total gross unrestricted income. The loan was revalued at 31 March 2019 which resulted in a credit of £8,560 to the Statement of Financial Activities.

An amount of £4,160 due to Ignite Social Enterprise LP was outstanding at year end, the balance of a loan made in April 2014. Under the terms of the revenue participation agreement, which ran from 1 April 2014 to 31 March 2019, this was repaid in annual instalments from revenue over the five years of the agreement at a cost of 16.35% of the gross income from a portfolio of contracts. The repayments are capped on an annual basis and at £356,882 in total, a cost of 4% per annum. The loan was revalued at 31 March 2019 which resulted in a credit of £66,596 to the Statement of Financial Activities.

10. CAPITAL

The company has no share capital, being limited by guarantee. There are nine members of the company, who are also the Directors of the company and Trustees of the Charity. Each of whom has undertaken to contribute £1 in the event of the company being wound up.

11. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted Funds	Unrestricted Funds	Total
	£	£	£
Fixed Assets	-	14,339	14,339
Cash	330,752	128,586	459,338
Net current assets excluding cash	-	(56,652)	(56,652)
Creditors: Amounts falling due after one year	-	(28,455)	(28,455)
	<u>330,752</u>	<u>57,818</u>	<u>388,570</u>

Prior year comparatives: -

	Restricted Funds	Unrestricted Funds	Total
	£	£	£
Fixed Assets	-	5,205	5,205
Cash	702,165	360,256	1,062,421
Net current assets excluding cash	-	(34,057)	(34,057)
Creditors: Amounts falling due after one year	-	(111,019)	(111,019)
	<u>702,165</u>	<u>220,385</u>	<u>922,550</u>

12. MOVEMENT IN FUNDS

	Balance at 1 April 2018 £	Income £	Expenditure £	Transfers £	Balance at 31 March 2019 £
Restricted funds					
Schools	540,964	193,189	(648,202)	-	85,951
Health & Wellbeing	161,201	219,677	(150,225)	14,148	244,801
Cleaner Air	-	36,600	(36,600)	-	-
Total restricted funds	702,165	449,466	(835,027)	14,148	330,752
Unrestricted funds	220,385	654,565	(802,984)	(14,148)	57,818
Total funds	922,550	1,104,031	(1,638,011)	-	388,570

Transfers of £14,148 were transferred from unrestricted reserves to restricted reserves to cover a deficit on restricted funds.

Prior year comparatives: -

	Balance at 1 April 2017 £	Income £	Expenditure £	Transfers £	Balance at 31 March 2018 £
Restricted funds					
Schools	260,180	1,224,191	(943,407)	-	540,964
Health & Wellbeing	187,688	98,203	(124,690)	-	161,201
Cleaner Air	-	364,920	(433,204)	68,284	-
Total restricted funds	447,868	1,687,314	(1,501,301)	68,284	702,165
Unrestricted funds	(49,402)	830,893	(492,822)	(68,284)	220,385
Total funds	398,466	2,518,207	(1,994,123)	-	922,550

Transfers of £68,284 were transferred from unrestricted reserves to restricted reserves to cover a deficit on restricted funds where no further income was received.

12. MOVEMENT IN FUNDS (Continued)

Purposes of restricted funds:

Schools:	HSBC Bank plc's water fund provides funding for the <i>Water Explorer</i> programme, an online initiative that engages schools in eleven countries in understanding how water affects lives, and in taking practical action to protect and save water in school communities.
Health & Wellbeing:	<p>The KR Foundation in Denmark have funded a two-year scientific study of young people on materialism and its impact on health, wellbeing and happiness. During the programme, called <i>Goals 4 Good</i>, young people across Europe will complete courses and workshops which will explore what really makes them happy and the role material possessions play in their lives. The programme is guided by a panel of ten leading international academics.</p> <p>In 2019 further funding was secured from the KR Foundation to develop and run a programme called <i>Flickers for the Future</i>. This is a competition that aims to harness the creativity and passion of early career filmmakers and scriptwriters to develop a film that shows a positive human vision of a sustainable future. The aim for the film is to create the first ever feature film which shows the personal benefits that come with living in a way which is generative to our wellbeing and to our planet. The project is being guided by a panel of experts from the creative industries and from academia.</p>
Cleaner Air	Funding was received from the Scottish Government and the Mark Leonard Trust to promote <i>Clean Air Day</i> , to raise awareness of the health implications of air pollution and to encourage communities, businesses and schools to take actions to reduce air pollution.

13. COMMITMENTS UNDER OPERATING LEASES

At 31 March 2019 the Charity had total future minimum lease payments under non-cancellable operating leases in each of the following periods:

	Premises	Premises	Equipment	Equipment
	2019	2018	2019	2018
	£	£	£	£
Not later than one year	51,415	122,748	5,932	1,285
Between one and five years	-	51,145	8,404	-
	<u>51,415</u>	<u>173,893</u>	<u>14,336</u>	<u>1,285</u>

14. PENSIONS

The Charity operates two defined contribution pension schemes. The charge to the Statement of Financial Activities for the year is £18,039 (2018 - £19,340). There are outstanding contributions of £2,227 (2018 - £2,581), but no prepaid contributions at the year end.

15. RELATED PARTY TRANSACTIONS

During the financial year, the Charity entered into a contract with Acre Resources Limited, a recruitment agency specialising in the sustainability sector. Acre will recruit for a newly created position at Global Action Plan and provide interim support while the recruitment takes place. Andy Cartland, Global Action Plan's Deputy Chair of Trustees, is a Director of and shareholder in Acre Resources Limited.

16. POST BALANCE SHEET EVENT

Since the end of the financial year, the Board of Global Action Plan has entered into discussions with the Board of London Sustainability Exchange (LSx) regarding the potential merger of the two charities. The combination of the charities, which will be accounted for through the acquisition of the net assets of LSx by GAP, has been approved by the LSx Trustees and will be proposed for approval at the GAP Board meeting on 11th November 2019. The transaction is likely to be completed in December 2019.

17. STATEMENT OF FINANCIAL ACTIVITIES FOR YEAR ENDED 31 MARCH 2018

	Year to 31 March 2018		
	Restricted Funds £	Unrestricted Funds £	Total £
Income from:			
Donations	-	64,942	64,942
Donated services	-	19,600	19,600
Donations and legacies	-	84,542	84,542
Other trading activities	-	67,186	67,186
Investments	-	37	37
Charitable activities			
Schools & Youth	1,224,191	43,324	1,267,515
Health & Wellbeing	98,203	12,184	110,387
Cleaner Air	364,920	17,564	382,484
Sustainable Business	-	606,056	606,056
Total charitable activities	1,687,314	679,128	2,366,442
Total	1,687,314	830,893	2,518,207
Expenditure on:			
Raising funds	-	21,631	21,631
Charitable activities			
Schools & Youth	943,407	27,803	971,210
Health & Wellbeing	124,690	13,328	138,018
Cleaner Air	433,204	14,424	447,628
Sustainable Business	-	415,636	415,636
Total charitable activities	1,501,301	471,191	1,972,492
Total	1,501,301	492,822	1,994,123
Net income/(expenditure)	186,013	338,071	524,084
Transfers between funds	68,284	(68,284)	-
Net movement in funds	254,297	269,787	524,084
Total funds brought forward	447,868	(49,402)	398,466
Total funds carried forward	702,165	220,385	922,550



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