

INITIATIVE EARTH
(A company limited by guarantee)

UNAUDITED
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 APRIL 2021

INITIATIVE EARTH
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INITIATIVE EARTH
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE PERIOD ENDED 30 APRIL 2021**

Trustees	C Delevingne J Harries D Mirchandani
Company registered number	12550616
Charity registered number	1192512
Registered office	14th Floor 33 Cavendish Square London W1G 0PW
Independant Examiner	David Pumfrey FCA Simmons Gainsford LLP Chartered Accountants 14th Floor 33 Cavendish Square London W1G 0PW
Bankers	Triodos Bank Deanery Road Bristol BS1 5AS

INITIATIVE EARTH
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TRUSTEES' REPORT
FOR THE PERIOD ENDED 30 APRIL 2021

The Trustees present their annual report together with the financial statements of the Company for the period 7 April 2020 to 30 April 2021. The Annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the Company qualifies as small under section 382 of the Companies Act 2006, the Strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Objectives and activities

a. Policies and objectives

Initiative Earth was established in 2020, to promote for the benefit of the public the conservation, protection and improvement of the physical and natural environment. This is achieved by:

- promoting ethical consumer behaviour, promoting local greening initiatives, and building community around the natural environment, in order to develop the capacity and skills of the public in such a way that the public are better able to identify (and help meet) the needs of their physical and natural environment, and;
- providing information, sharing knowledge and promoting charitable research (including the publication of the useful results of such research).

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

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TRUSTEES' REPORT (CONTINUED)
FOR THE PERIOD ENDED 30 APRIL 2021

Achievements and performance

a. Key Activities and Achievements

The learning gained through the EcoResolution campaign, the online audiences and community developed and the Change-Maker Network, as well as extensive team and network experience in the wellbeing, activism, regeneration and change-making spheres, lead the team to develop the concept of a specialist online learning platform, and the creation of a legal entity to harness public and private support to establish Initiative Earth as a charity.

Initiative Earth received registration with the Charity Commission in January 2021.

In the period leading to April 2021 the Charity also developed core governance and operational policies and procedures, including frameworks for financial management and banking, staff recruitment and management, governance and working with the Board, and fundraising among others. The Senior Management Team oversaw expenditure pertaining to their own time, additional staff and consultancy time, content creation (including the website) and legal fees relating to the establishment of the charity, governing documents and registration. The main expenditure related to the two Senior Managers' time, the time of a Governance and Strategy lead, and the time of content production and creators, and a social media manager. There were also legal fees and some content production and web-development and branding costs in the first period.

Expenditure in 2020 was supported by the Board of Trustees, and initial funds were donated by the Chair of Trustees, Cara Delevingne, in order to establish the organisation as a registered charity, following the success of the initial online campaign, EcoResolution.

EcoResolution, is an online campaign that supports individuals to make meaningful change, and to learn about the complexities of the climate crises, and actions they can take on individual and community levels, to support their active engagement in finding solutions. This campaign was spearheaded by Cara Delevingne, and received large online traction, leading to the development and formation of the charity to expand and deepen the campaign and to launch others.

EcoResolution is now a key 'campaign' of Initiative Earth charity, which is online in the form of a website and social media channels. The channels include original talks and interviews from leading thinkers, activists and change-makers, links and analysis of high quality and up to date research. The charity also ran larger-scale live events with key leaders such as Vandana Shiva, and Greenpeace USA Executive Director Annie Leonard, among others. The EcoResolution instagram channel grew an audience of around 45,000 followers before April 2021, and events were attended by thousands of people in over 25 countries worldwide.

From the EcoResolution audience, the Trust began developing the Change-Maker Network in autumn 2020, a smaller group of engaged members world-wide, who were ready to deepen their knowledge and take part in on-the-ground action in their communities, through education, land regeneration, clean ups and other localised actions. They began to meet monthly with the group to hold focused workshops, as well as to gain deeper understanding of some of the needs, barriers and opportunities presented for people on the ground. The network is an opportunity for peer support, campaign and fundraising promotion and wellbeing support from a supportive network of like-minded individuals.

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TRUSTEES' REPORT (CONTINUED)
FOR THE PERIOD ENDED 30 APRIL 2021

Financial review

a. Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. The Trustees acknowledge the presence of the Coronavirus pandemic but are of the opinion that it will not have a significant impact on the Charities' ability to operate. For this reason, they continue to adopt the going concern basis in preparing the financial statements. There are no material uncertainties regarding going concern.

b. Reserves policy

The Charity's policy is to set aside funds for special purposes or as reserves against future expenditure. These funds are not restricted.

c. Principal risks and uncertainties

The principal risk of the charity is the loss of key staff members and funding.

d. Financial Review

The results for the period are set out on page 7. The Trustees believe that the accounts comply with current statutory requirements, the requirements of the charity's governing document and the requirement of the SORP.

Structure, governance and management

a. Constitution

Initiative Earth is registered as a charitable company limited by guarantee and was set up by a Trust deed.

b. Methods of appointment or election of Trustees

The management of the Company is the responsibility of the Trustees who are elected and co-opted under the terms of the Trust deed.

c. Organisational structure and decision making

The organisation is overseen by the Board of Trustees. The Board of Trustees are responsible for ensuring safe and legal governance and financial operations. The Board in 2020-21 consisted of Cara Delevingne (Chair), Jack Harries and Deepa Mirchandani.

The Senior Management Team, Ruby Reed and Christabel Reed are responsible for the co-ordination of the day-to-day running of the organisation, including the initial set up of the organisation and its teams, and the creative and strategic direction of organisational activities including fundraising, recruitment and public-facing activities.

The Governance and Strategy lead, Hannah Bowman, is responsible for the creation and implementation of policies and operational procedures and systems, supporting recruitment and working procedures, day to day financial controls and reporting to the Board.

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TRUSTEES' REPORT (CONTINUED)
FOR THE PERIOD ENDED 30 APRIL 2021

Structure, governance and management (continued)

The EcoResolution Social Media Manager is responsible for the research, creation and dissemination of high quality content, information and events across our campaign platforms.

Initiative Earth hired several contracted individuals and organisations to support with additional research, content creation and production, consultancy, legal and financial advice and support.

Financial decisions were made by the Senior Management Team, supported by the Board of Trustees and the Governance and Strategy lead.

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the Company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial period. 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 Company and of its incoming resources and application of resources, including its income and expenditure, 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 of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 Company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company 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 Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Small Company Provision

These financial statements have been prepared in accordance with the special provisions relating to small companies within part 15 of the Companies Act 2006.

Approved by order of the members of the board of Trustees and signed on their behalf by:

C Delevingne



Date: 22nd December 2021

INITIATIVE EARTH
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INDEPENDENT EXAMINER'S REPORT
FOR THE PERIOD ENDED 30 APRIL 2021

Independent examiner's report to the Trustees of Initiative Earth ('the Company')

I report to the charity Trustees on my examination of the accounts of the Company for the period ended 30 April 2021.

Responsibilities and basis of report

As the Trustees of the Company (and its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the Company's accounts carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since the Company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of ICAEW, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Signed:



Dated: 22nd December 2021

David Pumfrey FCA
Simmons Gainsford LLP
Chartered Accountants
14th Floor
33 Cavendish Square
London
W1G 0PW

INITIATIVE EARTH
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STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE PERIOD ENDED 30 APRIL 2021

	Note	Unrestricted funds 2021 £	Total funds 2021 £
Income from:			
Donations and legacies	3	354,295	354,295
Total income		<u>354,295</u>	<u>354,295</u>
Expenditure on:			
Charitable activities	4	186,257	186,257
Total expenditure		<u>186,257</u>	<u>186,257</u>
Net movement in funds		<u>168,038</u>	<u>168,038</u>
Reconciliation of funds:			
Net movement in funds		168,038	168,038
Total funds carried forward		<u>168,038</u>	<u>168,038</u>

The Statement of financial activities includes all gains and losses recognised in the period.

The notes on pages 9 to 14 form part of these financial statements.

INITIATIVE EARTH
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REGISTERED NUMBER: 12550616

BALANCE SHEET
AS AT 30 APRIL 2021

	Note	2021 £
Current assets		
Debtors	9	369
Cash at bank and in hand		170,669
		171,038
Creditors: amounts falling due within one year	10	(3,000)
Net current assets		168,038
Total net assets		168,038
Charity funds		
Unrestricted funds		168,038
Total funds		168,038

The Company was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the company to obtain an audit for the period in question in accordance with section 476 of Companies Act 2006.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



C Delevingne

Date: 22nd December 2021

The notes on pages 9 to 14 form part of these financial statements.

INITIATIVE EARTH
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 APRIL 2021

1. General information

Initiative Earth is a registered charity and Private Limited Company by guarantee without share capital, incorporated in England and Wales. Company registration number 12550616, Charity registration number 1192512. The address of the registered office is 14th Floor, 33 Cavendish Square, London, W1G 0PW.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Initiative Earth meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

2.2 Income

All income is recognised once the Company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

2.3 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Company's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

2.4 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.5 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

INITIATIVE EARTH
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 APRIL 2021

2. Accounting policies (continued)

2.6 Liabilities and provisions

Liabilities 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.

Liabilities are recognised at the amount that the Company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of financial activities as a finance cost.

2.7 Financial instruments

The Company only 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 their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.8 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Company and which have not been designated for other purposes.

3. Income from donations and legacies

	Unrestricted funds 2021 £	Total funds 2021 £
Donations	354,295	354,295

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 APRIL 2021**

4. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2021 £	Total funds 2021 £
Promotion of environmental awareness	186,257	186,257

5. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £
Promotion of environmental awareness	103,886	82,371	186,257

Analysis of direct costs

	Activities 2021 £	Total funds 2021 £
Website Creation	29,099	29,099
Social Media Management, Content & Campaigns	74,787	74,787
	103,886	103,886

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 APRIL 2021**

5. Analysis of expenditure by activities (continued)

Analysis of support costs

	Activities 2021 £	Total funds 2021 £
Accountancy Fees	3,510	3,510
Recruitment Costs	175	175
Bank Fees	16	16
Legal Fees	28,739	28,739
Consultancy	500	500
Software and E Costs	1,373	1,373
Governance Costs	14,975	14,975
Strategy and Management Costs	33,083	33,083
	82,371	82,371

6. Independent examiner's remuneration

	2021 £
Fees payable to the Company's independent examiner for the independent examination of the Company's annual accounts	1,500

7. Trustees' remuneration and expenses

During the period, no Trustees received any remuneration or other benefits.

8. Employees

The average number of employees, including the Trustees, during the year was 6.

Included in expenditure is £15,742 of salaries paid to employees.

No employee received total employee benefits of more than £60,000 in the year.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 APRIL 2021**

9. Debtors

	2021 £
Due within one year	
Other debtors	369
	<u>369</u>

10. Creditors: Amounts falling due within one year

	2021 £
Accruals and deferred income	3,000
	<u>3,000</u>

11. Summary of funds

Summary of funds - current period

	Income £	Expenditure £	Balance at 30 April 2021 £
General funds	354,295	(186,257)	168,038
	<u>354,295</u>	<u>(186,257)</u>	<u>168,038</u>

12. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2021 £	Total funds 2021 £
Current assets	171,038	171,038
Creditors due within one year	(3,000)	(3,000)
Total	<u>168,038</u>	<u>168,038</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 APRIL 2021

13. Related party transactions

During the period the charity received donations of £354,295 from The CJD Foundation, a Foundation in which C Delevingne is a Trustee.