Registered number: 07275849

ACTION SUSTAINABILITY (TRADING) LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

ACTION SUSTAINABILITY (TRADING) LIMITED

COMPANY INFORMATION

Directors	I A Heptonstall S P Mccarthy
Company secretary	I A Heptonstall
Registered number	07275849
Registered office	1st Floor 2 Angel Square London EC1V 1NY
Independent auditors	Adler Shine LLP Chartered Accountants & Statutory Auditor Aston House Cornwall Avenue N3 1LF
Bankers	Royal Bank of Scotland 64 Fawcett Street Sunderland SR1 1VB

ACTION SUSTAINABILITY (TRADING) LIMITED

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DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2018

The directors present their report and the financial statements for the year ended 31 March 2018.

Business review

Action Sustainability's mission is to inspire sustainable business. We are seeing significant reductions in the sustainability impacts of our clients and we are now seen as leaders in knowledge in areas such as sustainable procurement, modern slavery, social value and fairness, inclusion and respect. These last three areas all represent emerging areas that we expect to see revenue growth from over the next 24 months.

We were pleased to report a 3% increase in profit before tax to £155,000, on sales of £1.85m - up 13.5% in the year. This represents solid and consistent growth over the last 3 years and we fully expect this level of growth to continue during the 2018/19 financial year.

Sales of sustainability consultancy by our consultancy team increased in the year as we saw significant market interest in sustainable procurement driven by the new ISO20400 standard and in work to address Modern Slavery in supply chains, driven by new legislation.

Our social purpose to drive businesses to embrace sustainable practice was underlined by our payment of £45,351 to Action Sustainability Community Interest Company to develop and make freely available knowledge of sustainable procurement.

Our online work with www.SupplyChainSchool.co.uk again saw strong growth. We are two years into a 5-year grant funding agreement from the Construction Industry Training Board which represents an investment by the industry of £2.5m in the provision of free sustainability training for the construction supply chain. Our strategy to grow private sector funding for the School over this period to ensure the long-term sustainability of the School is proving successful with 68 organisations, up from 57 last year, now providing annual funding of over £750k for the School.

Our investment in Action Sustainability Asia Pacific Pty, in which the business holds a 25%, is showing initial signs of success with over $1m of consultancy sold and delivered by that business in their first year of trading.

In the opinion of the directors the outlook for 2018 and beyond is good as the appetite for sustainability advice in supply chains by major organisations continues to grow.

Directors

The directors who served during the year were:

I A Heptonstall
S P Mccarthy

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

During the year, Adler Shine LLP were appointed as auditors to the company. Adler Shine LLP will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2018

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

I A Heptonstall
Director

Date: 11/9/18

DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 MARCH 2018

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors 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 the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ACTION SUSTAINABILITY (TRADING) LIMITED

Opinion

We have audited the financial statements of Action Sustainability (Trading) Limited (the 'Company') for the year ended 31 March 2018, which comprise the Statement of Comprehensive Income, the Balance Sheet and the related notes, 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 Company's affairs as at 31 March 2018 and of its profit 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' 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.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement on page 3, the directors 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 directors 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 directors are responsible for assessing the 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 directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ACTION SUSTAINABILITY (TRADING) LIMITED (CONTINUED)

Auditors' 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 Auditors' 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 Auditors' Report.

Use of our report

This report is made solely to the 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 Company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Paul O'Rourke (Senior Statutory Auditor)

for and on behalf of
Adler Shine LLP

Adler Shine LLP

Chartered Accountants
Statutory Auditor

Aston House
Cornwall Avenue
N3 1LF
Date: 11/9/18.

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2018

	Note	2018 £	*2017* *£*
Turnover		**1,848,071**	*1,628,014*
Cost of sales		**(698,866)**	*(690,637)*
Gross profit		**1,149,205**	*937,377*
Administrative expenses		**(994,737)**	*(787,878)*
Operating profit		**154,468**	*149,499*
Interest receivable and similar income		**64**	*-*
Profit before tax		**154,532**	*149,499*
Tax on profit		**25,861**	*(31,435)*
Profit for the financial year		**180,393**	*118,064*
Other comprehensive income for the year			
Total comprehensive income for the year		**180,393**	*118,064*

The notes on pages 10 to 19 form part of these financial statements.

**BALANCE SHEET
AS AT 31 MARCH 2018**

	Note		2018 £		2017 £
Fixed assets					
Intangible assets	5		28,584		44,917
Tangible assets	6		30,795		24,718
Investments	7		8,817		-
			68,196		69,635
Current assets					
Stocks		-		660	
Debtors: amounts falling due within one year	8	788,034		842,352	
Cash at bank and in hand	9	732,649		664,624	
		1,520,683		1,507,636	
Creditors: amounts falling due within one year	10	(1,053,594)		(1,225,644)	
Net current assets			467,089		281,992
Total assets less current liabilities			535,285		351,627
Provisions for liabilities					
Deferred tax	12	(5,543)		(2,278)	
			(5,543)		(2,278)
Net assets			529,742		349,349
Capital and reserves					
Called up share capital	13		187		187
Profit and loss account			529,555		349,162
			529,742		349,349

BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2018

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 11/9/18

I A Heptonstall
Director

S P Mccarthy
Director

The notes on pages 10 to 19 form part of these financial statements.

1. General information

Action Sustainability (Trading) Limited is a private company limited by shares, incorporated and domiciled in the United Kingdom. The address of the registered office is 1st Floor 2 Angel Square, London, England, EC1V 1NY.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.3 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.4 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

2. Accounting policies (continued)

2.5 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.6 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.7 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

2.8 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

2. Accounting policies (continued)

2.8 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Computer equipment	-	33%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

2.9 Valuation of investments

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Statement of Comprehensive Income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

2.10 Associates and joint ventures

Associates and Joint Ventures are held at cost less impairment.

2.11 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.12 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.13 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2. Accounting policies (continued)

2.14 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2.15 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

2.16 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The company receives grant income over a period of time with payment terms not co-terminous with the company year-end. The directors use judgement in determining the level of work completed by the year-end to establish what proportion of the total grant income should be recognised.

4. Employees

Staff costs, including directors' remuneration, were as follows:

The average monthly number of employees, including directors, during the year was 15 *(2017 - 14)*.

5. Intangible assets

	Computer software £
Cost	
At 1 April 2017	**49,000**
At 31 March 2018	**49,000**
Amortisation	
At 1 April 2017	**4,083**
Charge for the year	**16,333**
At 31 March 2018	**20,416**
Net book value	
At 31 March 2018	**28,584**
At 31 March 2017	*44,917*

6. Tangible fixed assets

	Computer equipment £
Cost or valuation	
At 1 April 2017	**87,704**
Additions	**27,899**
Disposals	**(12,250)**
At 31 March 2018	**103,353**
Depreciation	
At 1 April 2017	**62,986**
Charge for the year on owned assets	**15,357**
Disposals	**(5,785)**
At 31 March 2018	**72,558**
Net book value	
At 31 March 2018	**30,795**
At 31 March 2017	*24,718*

7. Fixed asset investments

	Investments in associates £
Cost or valuation	
Additions	15,555
Disposals	(6,738)
At 31 March 2018	8,817
Net book value	
At 31 March 2018	8,817
At 31 March 2017	-

Associates

Name	Country of incorporation	Class of shares	Holding
Action Sustainability Asia Pacific Pty Ltd	Australia	A	25%

8. Debtors

	2018 £	2017 £
Trade debtors	447,480	770,946
Other debtors	72,606	20,587
Prepayments and accrued income	267,948	50,819
	788,034	842,352

9. Cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	732,649	664,624
	732,649	664,624

10. Creditors: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	62,801	36,759
Amounts owed to group undertakings	323	1,776
Corporation tax	-	32,440
Other taxation and social security	87,305	110,087
Accruals and deferred income	903,165	1,044,582
	1,053,594	1,225,644

11. Financial instruments

	2018 £	2017 £
Financial assets		
Financial assets measured at fair value through profit or loss	732,649	664,624

Financial assets measured at fair value through profit or loss comprise cash and cash equivalents.

12. Deferred taxation

	2018
	£
At beginning of year	2,278
Charged to profit or loss	3,265
At end of year	**5,543**

The provision for deferred taxation is made up as follows:

	2018	2017
	£	£
Accelerated capital allowances	5,543	2,278
	5,543	2,278

13. Share capital

	2018	2017
	£	£
Allotted, called up and fully paid		
62 Ordinary A shares of £1 each	62	62
124 Ordinary B shares of £1 each	124	124
1 Ordinary C share of £1	1	1
	187	187

The "A" shares and the "B" shares rank pari passu except for voting rights with the "A" shares carrying 75% of the votes cast on any resolution and the "B" shares carrying 25% of the votes cast on any resolution.

The "C" shares carry no voting, dividend and capital distribution rights.

14. Capital commitments

The company has committed to providing a loan of up to AU$100,000 to Action Sustainability Asia Pacific Pty Ltd at an annual interest rate of 10% plus a facility fee of 2%. At the balance sheet date a loan of AU$49,982 had been provided.

15. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £28,047 (2017 - £16,060). Contributions totalling £3,943 (2017 - £Nil) were payable to the fund at the balance sheet date and are included in creditors.

16. Commitments under operating leases

At 31 March 2018 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2018	*2017*
	£	*£*
Not later than 1 year	**71,379**	*6,300*
	71,379	*6,300*

17. Related party transactions

Included in other debtors is an amount of £28,671 (2017: £nil) owed by Action Sustainability Asia Pacific Pty Ltd, a company in which Action Sustainability (Trading) Limited holds a 25% shareholding and in which I A Heptonstall and S P Mccarthy are directors. The loan accrues interest of 10% plus a 2% facility fee.

During the year, Action Sustainability (Trading) Limited paid a license fee of £45,351 (2017: £38,849) to Action Sustainability Community Interest Company, a company in which S P Mccarthy is a director.