

**TRUSTEES' ANNUAL REPORT
AND FINANCIAL STATEMENTS**

FOR THE YEAR ENDED
30 SEPTEMBER 2019

Shared Interest Foundation is a
charitable company limited by guarantee
Registered Company Number: 4833073
Registered Charity Number: 1102375

SHARED INTEREST FOUNDATION

ANNUAL REPORT 2019

Contents

Legal and Administrative Information	3
Trustees' Report	4
Independent Auditors' Report	7
Statement of Financial Activities	9
Balance Sheet	10
Notes to the Financial Statements	11

LEGAL & ADMINISTRATIVE INFORMATION

LEGAL STATUS

The organisation is a charitable company limited by guarantee (registered company number 4833073), incorporated on 15 July 2003 and registered as a charity on 27 February 2004 (registered charity number 1102375).

The company was established under a Memorandum of Association (15 July 2003) which sets out the objectives and powers of the charitable company and is governed under its Articles of Association (15 July 2003).

DIRECTORS AND ADVISERS

for the year ended 30 September 2019

The Directors of the company, who are also the Trustees of the charity, who were in office during the year and up to the date of signing the financial statements were:

	Year appointed
M Coyle (Chair)	2015
DP Alexander	2006
D Bowman	2012
PG Chandler	2013
MP Kyndt	2012
PJ Radcliffe	2012
K Sadler	2012

Company Secretary

TD Morgan

Independent Auditors

PricewaterhouseCoopers LLP

Central Square South

Orchard Street

Newcastle upon Tyne

NE1 3AZ

Principal and Registered Office

Pearl Assurance House

7 New Bridge Street West

Newcastle upon Tyne

NE1 8AQ

TRUSTEES' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2019

The Trustees present their report and audited financial statements for the year. This report has been prepared in accordance with the special provisions relating to small companies within the Companies Act 2006.

GOVERNING DOCUMENT AND ORGANISATION

The company is governed by its Memorandum and Articles of Association. It is also a registered charity. The day-to-day running of the company is overseen by the Board of Trustees.

PRINCIPAL AIMS AND OBJECTIVES

The objectives of the Foundation are to:

- advance education and training; and to
- relieve poverty, sickness and distress in all parts of the world in all respects for the benefit of the public in accordance with the law of charity in England and Wales.

In order to deliver these objectives, we engage in three principal activities:

- Building Business Support Networks – providing local assistance to fair trade businesses which helps them to grow, increasing incomes and employment opportunities.
- Providing financial management training – on topics such as maintaining good financial records and accessing finance for business growth. Our training courses are tailored to suit their audience from small-scale artisans to large fair trade co-operatives.
- A livelihood security fund – which seeks to support businesses that suffer an external shock such as natural disaster, to enable them to continue trading.

These activities form the three pillars of our Theory of Change, which describes how we aim to build resilient businesses that in turn provide benefits to local communities.

We have referred to the guidance from the Charity Commission on public benefit when reviewing our aims and objectives and in planning our future activities and believe that we comply with this. A summary report of the projects demonstrating this is given on page 5. The principal and registered office of the Foundation is shown on page 3.

APPOINTMENT OF DIRECTORS

The Directors of the company who served during the financial year are listed on page 3. They are appointed to the Board by resolution of the member - that is, Shared Interest Society Ltd ("SIS"). Following election they receive induction training including review of documents and policies, meeting staff and receiving briefings from key personnel. As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force.

OTHER EXTERNAL APPOINTMENTS

Below are shown the external directorships/trusteeships of the members of the Board of Trustees and Senior Management Team. All below, except Kerrey Baker, are Directors of Shared Interest Society Limited.

Patricia Alexander **	Newcastle High School for Girls (Chair of Governors), St Oswald's Primary School (Governor), Newcastle Business School Advisory Board
Tim Morgan **	Ecology Building Society, Northern Dance
Pauline Radcliffe	Glasgow Clyde Education Foundation, Carnegie UK Trust
Keith Sadler	None
Martin Kyndt	Fitzroy Support
David Bowman	Corporate Responsibility (CORE) Coalition Limited (Chair), Director of Finance Mulberry Bush Organisation
Paul Chandler	The Co-operative Group, William Leech Investments Limited (Chair), William Leech Foundation (Chair), Durham Cathedral Council (Chair), County Durham Community Foundation (Vice Chair), Bible Society, St Chad's College Durham (Vice Chair), Fair Trade Advocacy Office (attendee)
Mary Coyle	North Tyneside CCG, Newcastle University Retirement Benefits Plan, Northumbrian Water Forum (member)
Kerrey Baker *	Millin Trust

** Member of Senior Management Team and Board

* Member of Senior Management Team

REVIEW OF THE YEAR AND FUTURE DEVELOPMENTS

The Foundation's mission is to provide business support to make livelihoods and living standards better for people in disadvantaged communities. To achieve this we undertake a range of activities, all focused on the end goal of supporting and developing producer organisations. We primarily support businesses within the fair trade movement, seeking to ensure that our activity leads to both financial and social benefits within communities.

The outcomes of the projects detailed below demonstrate that we have continued to deliver on our aim to support more resilient businesses providing both a social and a financial return in their local communities. We continue to believe that helping to build strong businesses is a sustainable and respectful way to fight poverty.

A more detailed report of our impact is contained in our joint social accounts available on the website.

TRUSTEES' REPORT

IMPROVING PRODUCER LIVELIHOODS IN SWAZILAND

This year, we concluded our four-year Comic Relief funded project, delivered in partnership with Swaziland International Fair Trade (SWIFT). This project was designed to contribute to the alleviation of poverty and social deprivation in Eswatini (formerly Swaziland). The key objectives were to develop enterprises, strengthen businesses, and create sustainable employment opportunities.

Over the lifetime of the project, we have supported 7,607 rural producers and artisans.

We enabled 45 micro-businesses to increase their sales significantly, subsequently raising their levels of resilience and sustainability, and enabling them to recruit 72 new employees collectively. 30 of these businesses were brand new and the remaining 15 were established but still in their infancy when they joined the programme.

More established businesses were trained in techniques to increase production efficiency, and reduce waste. They also focussed on people management, fair trade awareness, sales analysis and market research. We supported SWIFT to organise a series of strategic marketing opportunities at national and international events, designed to drive sales and raise business profiles. By attending a large annual festival between 2014 and 2018, the businesses generated an additional £33,000 in sales. We also supported SWIFT to organise international 'buyer trips', which enabled 26 businesses to access new markets and increase export opportunities. These businesses employed 3,214 producers during the lifetime of project.

We also supported SWIFT to improve their own systems and processes so that they could increase their efficiency and sustainability. SWIFT has since secured a contract with the Ministry of Commerce, Trade and Investments to teach business skills to 100 young people and 43 new members have joined SWIFT during the lifetime of the project.

Improving producer health and wellbeing was integral to this project as Eswatini has the highest rate of HIV/AIDS in the world. Working in partnership with SWABCHA (Swaziland Business Coalition on HIV and AIDS), we supported SWIFT to train 119 peer educators to provide health and wellbeing counselling to their peers; 890 producers accessed this support. 15 businesses have gone on to develop their own HIV and wellness policies as a result.

PROVIDING SUSTAINABLE SOLUTIONS TO POVERTY IN MALAWI

We are approaching the end of our three-year project in partnership with the Malawi Fairtrade Network (MFTN). The organisation was suffering the effects of their farmers' declining sales, as they were no longer able to pay their membership fees.

Funded by The Marr-Munning Trust, the project saw us support five member organisations of MFTN, three tea producers, a macadamia producer and a groundnut producer. Our objectives were to help these farming co-operatives to raise their yield, improve the quality and value of their product, and to become more sustainable.

Over the past year, we have delivered training and mentoring to over 50 participants at management or Board level. Topics covered included market strategy, climate change, financial data and action planning. Sadly, the flooding from Cyclone Idai has since affected the three tea co-operatives. We will report on the outcomes of this project next year.

BEEES FOR BUSINESS

Bees for Business, funded through a restricted donation from Mr TM Dickety, was implemented in partnership with Plateforme Nationale du Commerce Equitable (PNCEB), the Burkina Faso national fair trade network. The group of 25 women in rural Burkina Faso were already producing and selling their honey locally but not enough to support themselves financially.

Community members donated 10 hectares of land to house the beehives. Funds from the project have been used to start the process of registering the land so that it can remain in the name of the women's group for generations to come.

We have helped the group double in size to 50 beekeepers, and by providing training and equipment, improved the quality and the quantity of honey so that it is now suitable for export. After generating substantial sales, the beekeepers have been able to set up a savings account, invest further into their honey business and plant crops for an additional income and personal consumption.

To conclude this project, we planted 1,050 Moringa trees in the forest area close to the hives. By reforesting sparse areas of land, we are increasing the stability of the soil and naturally encouraging bees to the hives. The trees will also provide the women with an additional source of income as the leaves and fruit produced can be sold on the local and export market.

CRAFTING FAIRER FUTURES: ESWATINI

In Eswatini, we concluded our Crafting Fairer Futures project funded by the Evan Cornish Foundation. This one-year programme saw us work in partnership with SWIFT to support 100 women trading out of the Manzini bus station, which is used as a marketplace in central Eswatini.

They were amongst almost 2,000 sellers producing similar products, creating a highly competitive marketplace. With many of the women taking home less than 90p per day, they were struggling to buy food and clothes for their children. By providing training in product design, customer service and pricing, Shared Interest Foundation has helped the group to diversify their products and increase their sales.

EAST AFRICA GOVERNANCE AND FINANCE TRAINING

This is the final year of a two-year project supporting 20 tea, coffee, cocoa, and handcraft co-operatives across Uganda and Kenya. This project, funded by the KMF Maxwell Stuart Trust is supporting 100 participants to improve their governance and financial systems and to put in place the necessary structures to promote and sustain effective and efficient management of their businesses. This year, working with local consultants, we have delivered a workshop in finance management to Board members, management team members and finance managers. Our training and mentoring has helped identify areas for improvement including the importance of maintaining accurate financial records, interpreting financial statements, risk management and debt management.

NEW PROJECTS FOR 2019/20

In 2019/20 we will start a pilot project in 10 cocoa growing communities in Osino in the Eastern Region of Ghana.

The project "Growing Fairer Futures" will support 50 young farmers (40% female) aged between 18 and 40 to acquire modern cocoa farming skills and access the necessary resources to turn cocoa farming into a viable business. Some of these youths do not have their own cocoa farms but they do work for farm owners or on family farms. Others have

TRUSTEES' REPORT

inherited cocoa farms from their parents but they do not have the resources and skills to maintain them and make an income. All the participants have access to land to grow their own cocoa farms but they are limited by lack of a start-up capital to purchase planting materials, farm implements and inputs.

RESTRICTED INCOME FUNDS

We acknowledge the receipt of restricted grants totalling £9k (2018: £137k) in our financial statements and details are provided at Note 3. We are grateful to all the donors who have supported our work in the past year.

UNRESTRICTED INCOME FUNDS

Unrestricted income for the year was £135k, up from £130k in the previous year, and about 85% of our target for the year. Much of this funding is provided by donations from members of Shared Interest Society for which the Trustees are especially grateful.

The Foundation continues to hold a number of legacy nominations from the members of the Society and the Trustees of the Foundation are grateful to Society members who have indicated that they intend to support the charity by leaving a legacy in this manner.

Diversifying unrestricted income sources has continued to be challenging but we were able to finish the year with an increase in unrestricted reserves of £9k. We continue to seek new avenues to grow our income, recognising that we cannot only rely on donations from Society members.

Fundraising costs in the financial statements represent a proportion of staff time and some small costs of fund-raising events. We are grateful to all those who support our work, individuals, trusts and grant making bodies.

RISK ASSESSMENT

The Trustees consider that the main risks facing the charity are as below. A variety of tools, systems and procedures are used to mitigate these risks where possible.

1. Major incident during staff travel;
2. Dependence on key personnel, absence, loss or failure to recruit;
3. Political instability creating operational and/or security issues overseas, impacting income and/or staff safety; and
4. Inability to raise sufficient Unrestricted Funding.

RESERVES AND GOING CONCERN STATUS

The Trustees have agreed that the reserves policy should be to keep the equivalent of three to six months expenditure as free reserves to cover periods of uneven income or unexpected income shortfalls. The balance on the Unrestricted income fund at the year-end, after designation of £40k to a specific cocoa-in-youth project in Ghana, represents about 6.7 months of budgeted total expenditure. This figure is slightly higher than the policy maximum but the Foundation concludes the 18/19 financial year with only minimal Restricted funds in hand and this level of caution is felt to be appropriate.

Based on the financial position at 30 September 2019 and the Business Plan for 2019/20 and beyond, the Trustees believe that Shared Interest Foundation is a going concern and these financial statements have been prepared on that basis.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also Directors of Shared Interest Foundation for the purposes of company law) are responsible

for preparing the Trustees' Annual 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. Under that law the Trustees have prepared the financial statements 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 the affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate 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. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

STATEMENT OF DISCLOSURE OF INFORMATION TO THE AUDITORS

The Trustees who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the Trustees have confirmed that they have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditors.

INDEPENDENT AUDITORS

A resolution to reappoint PricewaterhouseCoopers LLP as auditors will be put to the members at the Annual General Meeting.

Signed on behalf of the Board

M Coyle
Chair of Trustees
18 December 2019

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SHARED INTEREST FOUNDATION

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

In our opinion, Shared Interest Foundation's financial statements (the "financial statements"):

- give a true and fair view of the state of the charitable company's affairs as at 30 September 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Trustees' Annual Report and Financial Statements, which comprise: the balance sheet as at 30 September 2019; the statement of financial activities, for the year then ended; and the notes to the financial statements.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable 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.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the charitable company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Trustees' Annual Report

In our opinion, based on the work undertaken in the course of the audit the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and the Trustees' Annual Report has been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Trustees' Annual Report. We have nothing to report in this respect.

Responsibilities for the financial statements and the audit

Responsibilities of the Trustees for the financial statements

As explained more fully in the Statement of Trustees' Responsibilities set out on page 6, 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 in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Trustees are also responsible for such internal control as they 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.

INDEPENDENT AUDITORS' REPORT

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 this report

This report, including the opinions, has been prepared for and only for the charity's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

OTHER REQUIRED REPORTING

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the Trustees were not entitled to: prepare financial statements in accordance with the small companies' regime take advantage of the small companies exemption from preparing a Strategic Report. We have no exceptions to report arising from this responsibility.

Martin Cross (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Newcastle upon Tyne
20 December 2019

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 30 SEPTEMBER 2019

	Note	Unrestricted funds	Restricted funds	Total funds	Total funds
		2019	2019	2019	2018
Income from:		£	£	£	£
Donations and legacies	2	133,548	-	133,548	128,930
Charitable activities	3	-	8,823	8,823	136,805
Investment income	4	1,435	-	1,435	1,198
Total income		<u>134,983</u>	<u>8,823</u>	<u>143,806</u>	<u>266,933</u>
Expenditure on:					
Raising funds	7	13,045	-	13,045	16,591
Charitable activities	5, 6	113,146	129,281	242,427	174,446
Total expenditure		<u>126,191</u>	<u>129,281</u>	<u>255,472</u>	<u>191,037</u>
Net income / (expenditure) before transfers		8,792	(120,458)	(111,666)	75,896
Transfers between funds		-	-	-	-
Net income / (expenditure)		<u>8,792</u>	<u>(120,458)</u>	<u>(111,666)</u>	<u>75,896</u>
Net movement in funds		8,792	(120,458)	(111,666)	75,896
Reconciliation of funds:					
Total funds at 1 October		157,822	127,515	285,337	209,441
Total funds at 30 September		<u><u>166,614</u></u>	<u><u>7,057</u></u>	<u><u>173,671</u></u>	<u><u>285,337</u></u>

All activities relate to continuing operations.

The notes on pages 11 to 16 form part of these financial statements.

BALANCE SHEET

AT 30 SEPTEMBER 2019

	Note	2019 £	2018 £
Current assets			
Debtors and prepayments	11	3,218	3,195
Cash at bank and in hand	12	54,370	135,457
Deposits with credit institutions	13	127,382	156,354
Total current assets		<u>184,970</u>	<u>295,006</u>
Creditors: amounts falling due within one year	14	(11,299)	(9,669)
Net current assets		<u>173,671</u>	<u>285,337</u>
Net assets		<u>173,671</u>	<u>285,337</u>
Charity funds			
Restricted funds	15, 16, 17	7,057	127,515
Designated funds	15, 17	40,000	-
Unrestricted funds	15, 17	126,614	157,822
Total funds		<u>173,671</u>	<u>285,337</u>

These 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 on 18 December 2019.

Signed on behalf of the Board of Trustees

M Coyle

Chair of Trustees

The notes on pages 11 to 16 form part of these financial statements.

Company registration number: 4833073

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(1.1) Basis of preparation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. The financial statements are prepared in sterling which is the functional currency of the charity and rounded to the nearest £1. The financial statements are prepared on a going concern basis as the charity has sufficient funding and activity to take it through 2020.

Shared Interest Foundation 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.

(1.2) Company status

The company is limited by guarantee and has no share capital. In the event of a winding up every member undertakes to contribute such amount as may be required not exceeding the total of £1. There was one member at 30 September 2019, Shared Interest Society Ltd.

(1.3) Fund accounting

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements. Investment income, gains and losses are allocated to the appropriate fund.

(1.4) 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.

For legacies, entitlement is taken as the earlier of the date on which either: the company is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the company has been notified of the executor's intention to make a distribution. Where legacies have been notified to the company, or the company is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

(1.5) Expenditure

Expenditure is recognised when there is a legal or constructive obligation to make payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis and include attributable VAT which cannot be recovered. All expenses including support costs and governance costs are allocated to the applicable expenditure headings.

Charitable expenditure includes those costs incurred by the Charity in the delivery of its activities and services for its beneficiaries. It includes costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the Charity and include the audit fees and costs linked to the strategic management of the Charity.

(1.6) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the company; this is normally upon notification of the interest paid or payable by the bank.

(1.7) Debtors

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

(1.8) 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.

(1.9) Creditors and provisions

Creditors and provisions are recognised where the company has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

(1.10) 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.

(1.11) Cash flow statement

The Company has taken advantage of the exemption in FRS 102 from the requirement to prepare a cash flow statement on the grounds that it is a small company.

(1.12) Foreign currency transactions

Monetary assets and liabilities denominated in foreign currencies are stated in the balance sheet at the equivalent value in sterling at the exchange rate prevailing at the balance sheet date. Transactions during the year denominated in foreign currencies are stated at their equivalent value in sterling at the exchange rate prevailing at the date of the transaction.

(1.13) Pensions

Employees of the Foundation are entitled to membership of the Shared Interest Group Personal Pension Plan. This is a defined contribution scheme with 9% of salary payable by the Charity and charged to the Income and Expenditure Account in the year relating to the salary cost.

NOTES TO THE FINANCIAL STATEMENTS

2. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted	Restricted	Total	Total
	funds	funds	funds	funds
	2019	2019	2019	2018
	£	£	£	£
Individuals	133,048	-	133,048	128,908
Trusts	-	-	-	-
Corporate	500	-	500	22
	<u>133,548</u>	<u>-</u>	<u>133,548</u>	<u>128,930</u>

In 2018, of the total income from donations and legacies, £128,930 related to unrestricted funds and £Nil related to restricted funds.

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted	Restricted	Total	Total
	funds	funds	funds	funds
	2019	2019	2019	2018
	£	£	£	£
Comic Relief	-	4,623	4,623	57,305
Evan Cornish Foundation	-	-	-	5,000
Marr-Munning Trust	-	4,200	4,200	4,500
Mr TM Dickety	-	-	-	50,000
Mrs KMF Maxwell Stuarts Charitable Trust	-	-	-	20,000
	<u>-</u>	<u>8,823</u>	<u>8,823</u>	<u>136,805</u>

In 2018, of the total income from charitable activities, £136,805 related to restricted funds.

4. INVESTMENT INCOME

	Unrestricted	Restricted	Total	Total
	funds	funds	funds	funds
	2019	2019	2019	2018
	£	£	£	£
Interest received	1,435	-	1,435	1,198
	<u>1,435</u>	<u>-</u>	<u>1,435</u>	<u>1,198</u>

In 2018, of the total investment income, £1,198 related to unrestricted funds.

5. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES

	Activities undertaken directly	Grant funding of activities	Support costs	Total 2019	Total 2018
	£	£	£	£	£
Bees for Business	9,583	49,820	25,198	84,601	680
Crafting Fairer Futures	8,486	3,810	3,962	16,258	1,892
East Africa Governance and Finance Training	6,296	21,574	10,883	38,753	33,742
Improving Producers Livelihood in Swaziland (Comic Relief)	1,907	52,006	29,040	82,953	110,156
Providing Sustainable Solutions to Poverty in Malawi	4,809	2,071	694	7,574	19,681
New projects	12,288	-	-	12,288	2,152
Supporting the Rwandan Forum For Alternative Trade (RWAFFAT)	-	-	-	-	6,143
	<u>43,369</u>	<u>129,281</u>	<u>69,777</u>	<u>242,427</u>	<u>174,446</u>

6. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

	Unrestricted funds	Restricted funds	Total funds	Total funds
	2019	2019	2019	2018
	£	£	£	£
Bees for Business	34,781	49,820	84,601	680
Crafting Fairer Futures	12,448	3,810	16,258	1,892
East Africa Governance and Finance Training	17,179	21,574	38,753	33,742
Improving Producers Livelihood in Swaziland (Comic Relief)	30,947	52,006	82,953	110,156
Providing Sustainable Solutions to Poverty in Malawi	5,503	2,071	7,574	19,681
New projects	12,288	-	12,288	2,152
Supporting The Rwandan Forum For Alternative Trade (RWAFFAT)	-	-	-	6,143
	<u>113,146</u>	<u>129,281</u>	<u>242,427</u>	<u>174,446</u>

In 2018, of the total expenditure, £89,206 was expenditure from unrestricted funds and £85,240 was expenditure from restricted funds.

7. ANALYSIS OF RESOURCES EXPENDED BY EXPENDITURE TYPE

	Staff costs	Other costs	Total	Total
	2019	2019	2019	2018
	£	£	£	£
Costs of generating funds:				
Expenditure on raising voluntary income	12,829	216	13,045	16,591
Bees for Business	18,399	66,201	84,600	680
Crafting Fairer Futures	5,847	10,411	16,258	1,892
East Africa Governance and Finance Training	10,161	28,592	38,753	33,742
Improving Producers Livelihood in Swaziland (Comic Relief)	6,654	76,298	82,952	110,156
Providing Sustainable Solutions to Poverty in Malawi	5,751	1,825	7,576	19,681
New projects	-	12,288	12,288	2,152
Supporting The Rwandan Forum For Alternative Trade (RWAFFAT)	-	-	-	6,143
	46,812	195,615	242,427	174,446
	59,641	195,831	255,472	191,037

8. SUPPORT COSTS

	2019	2018
	£	£
Office costs	18,028	11,800
Wages and salaries	4,198	3,840
Support services provided by Shared Interest Society	30,950	31,434
Marketing costs	13,409	11,487
Governance costs	3,192	3,102
	69,777	61,663

9. NET INCOME / EXPENDITURE

This is stated after charging:

	2019	2018
	£	£
Auditors' remuneration (audit services)	3,192	3,102

NOTES TO THE FINANCIAL STATEMENTS

10. STAFF COSTS

Staff costs were as follows:	2019	2018
	£	£
Wages and salaries	67,424	50,430
Social security costs	2,213	1,044
Defined contribution pension costs	2,292	375
	<u>71,929</u>	<u>51,849</u>

Average monthly number of employees (none of whom are Trustees) during the year was:

	2019	2018
	Number	Number
Raising funds	1	1
Charitable activities	1	1
	<u>2</u>	<u>2</u>

No individual employee's emoluments exceeded £60,000 for either year shown. No pension contributions were payable by the Foundation in respect of the Trustees in either year shown.

The Trustees neither received nor waived any remuneration during the year (2018: £Nil).

The Trustees did not have any expenses reimbursed during the year (2018: £Nil).

11. DEBTORS AND PREPAYMENTS

	2019	2018
	£	£
Prepayments	2,655	2,465
Accrued income	563	730
	<u>3,218</u>	<u>3,195</u>

12. CASH AT BANK AND IN HAND

	2019	2018
	£	£
Cash at bank and in hand	54,370	135,457
	<u>54,370</u>	<u>135,457</u>

13. DEPOSITS WITH CREDIT INSTITUTIONS

	2019	2018
	£	£
Deposits repayable in not more than three months	20,353	50,334
Deposits repayable in not more than one year	107,029	106,020
	<u>127,382</u>	<u>156,354</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019	2018
	£	£
Amounts owed to group undertakings	4,548	3,337
Accruals	6,751	6,332
	<u>11,299</u>	<u>9,669</u>

Amounts owed to group undertakings were repaid in full after the year-end and are settled on a monthly basis.

NOTES TO THE FINANCIAL STATEMENTS

15. CHARITY FUNDS

	Restricted funds 2019 £	Unrestricted and designated funds 2019 £	Total funds 2019 £	Total funds 2018 £
Current assets	7,057	177,913	184,970	295,006
Current liabilities	-	(11,299)	(11,299)	(9,669)
	<u>7,057</u>	<u>166,614</u>	<u>173,671</u>	<u>285,337</u>

16. RESTRICTED FUNDS

Restricted income funds carried forward at the end of the financial year comprise:

	2019 £	2018 £
Bees for Business	-	49,820
Crafting Fairer Futures	154	3,964
East Africa Governance and Finance Training	5,246	26,820
Improving Producers Livelihoods in Swaziland (Comic Relief)	-	47,382
Providing Sustainable Solutions to Poverty in Malawi	1,657	(471)
New Projects	-	-
	<u>7,057</u>	<u>127,515</u>

17. MOVEMENT IN FUNDS

	Balance at 1 October 2018 £	Income £	Expenditure £	Transfer between funds £	Designation of funds £	Balance at 30 September 2019 £
Unrestricted funds	157,822	134,983	(126,191)	-	(40,000)	126,614
Designated funds	-	-	-	-	40,000	40,000
Restricted funds	127,515	8,823	(129,281)	-	-	7,057
	<u>285,337</u>	<u>143,806</u>	<u>(255,472)</u>	<u>-</u>	<u>-</u>	<u>173,671</u>

In 2019 the Trustees designated £40k unrestricted funds to designated funds. This is to fund a Cocoa-in-Youth project in Ghana from January to December 2020.

18. ULTIMATE PARENT COMPANY

The ultimate parent undertaking and controlling party of Shared Interest Foundation is Shared Interest Society Ltd (a Registered Society in the UK, registration number IP27093R) by virtue of Shared Interest Society Ltd being the only member of the Foundation. The financial statements of Shared Interest Society Ltd are available from the registered office of Shared Interest Foundation, as shown on page 3.