

Company number: 03031674 (England and Wales)

Charity number: 1048752

The Traidcraft Exchange
(A Company Limited by Guarantee)

Report and Financial Statements

For the Year Ended 31 March 2024

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2024

The Trustees (who are also the Directors of the charity for the purposes of company law) present their annual report and audited financial statements of The Traidcraft Exchange for the year ended 31 March 2024.

The trustees confirm that the annual report and financial statements of the 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 (FRS 102) (effective 1 January 2019).

The financial statements comprise the accounts of the Traidcraft Exchange and Traidcraft Services India Private Limited, a subsidiary of Traidcraft Exchange. In these accounts "charity" means Traidcraft Exchange or the charitable group comprising The Traidcraft Exchange and Traidcraft Services India Private Limited. In 2022, Traidcraft Exchange rebranded to Transform Trade to better communicate who we are and what we do. In this report however, we will continue to use the legal name of Traidcraft Exchange.

Since the group and the charity qualify as small under section 383 of the Companies Act 2006, the group 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

Trade has the potential to generate wealth, support livelihoods and create lasting solutions to poverty. However most mainstream trade relies on cheap labour and assumes unlimited natural resources. It is not fair or sustainable and urgently needs to be transformed. Traidcraft Exchange challenges injustice in trade and works with poor and vulnerable people to help them get a fair share of the rewards. With the UK government's renewed focus on trade, and the Sustainable Development Goals calling for businesses to play a role in ending poverty, there has never been a greater opportunity to change trade for good.

Our vision and purpose:

We support producers and their businesses which show that an alternative way to trade is possible. Within an unjust and broken trading system, we stand with the workers, farmers and social entrepreneurs who are transforming trade. We act as a resource partner, accompanier, influencer, networker and ally. We work at local, national and international levels, focusing on Fashion, Tea and Farming.

We have a vision of trade which values all people and regenerates our fragile earth.

Traidcraft Exchange was founded on Christian principles. Our deep-rooted belief in justice for the poor and the value and dignity of all human beings is grounded in the Christian faith. We work with people of all faiths and none, and our values resonate far beyond the Christian community.

Traidcraft Exchange was set up over thirty-five years ago to work in partnership with Traidcraft plc, demonstrating that alternatives to mainstream trade are possible. It operates for the public benefit through the charity's following purposes:

- 1) To support producers in vulnerable communities to grow their businesses, find markets and engage in local and international trade - helping people to build the skills, knowledge and capacity to work their way out of poverty.
- 2) To raise public awareness of injustice and build public support for trade justice and corporate accountability through policy advocacy and campaigning.

TRUSTEES' REPORT *(Continued)*
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Main achievements of the charity

This year marked a significant milestone as we navigated the first full year since our founding partner, Traidcraft plc, went into administration. The fact that we have not only remained operational but are in a secure position is a testament to our resilience. Yet, our achievements go far beyond survival, encompassing hard-won victories and valuable learning.

In the wake of the closure of Traidcraft, we launched a Producer Fund to support producers who would stand to lose out in a world where ethical trade is under threat. This has been a big part of our year and we've been encouraged by the relationships we've built and the impact this grant making and partnership work has had.

We were also able to share the findings from our pilot Participatory Grant Making work in Kenya through the RINGO network. Our aim was to demonstrate practically what it can mean to shift decision-making power away from grant-making organizations and to the people and places that will benefit from the money. The project evaluation showed increases in income and productivity as our work often does, but also notable impacts on reported self-confidence, influence and network building. The results and learning from the pilot were documented in a learning resource which has been shared widely with others in the development space. We were delighted to share these results and learnings on a prominent stage.

The achievements and learnings from both the Producer Fund and the PGM work in Kenya have helped us hone and refine our strategic direction and set a plan to take us up to 2030. We're committed to grant making to shift power to producer businesses and groups in the global south - partnering with them to achieve long-term impact. The work of 23/24 has been essential in laying the foundations and build a knowledge base to allow us to move forward in this direction.

Internally, we made progress in developing a more equitable and inclusive workplace. Building on last year's cultural change efforts, we continued Equity, Diversity, and Inclusion (EDI) training and coaching, enhancing staff engagement and understanding. A comprehensive all-staff EDI survey provided valuable insights that will shape actionable and measurable plans for the future.

Amidst these successes, we also faced tough decisions. The significant loss of income following the closure of Traidcraft, coupled with the global cost-of-living crisis, required difficult cost-cutting measures to secure our future. A round of redundancies in Autumn 2023 was a challenging but necessary step. With a leaner cost base, we are now well-positioned to move forward with confidence and purpose.

The key highlights of 23/24 include:

International development programmes and policy

This year, we made significant strides across our international programmes and policy initiatives, driving impactful change in small-scale agriculture, garments, tea, and broader policy and advocacy work. By aligning our interventions with organizational strategy, we worked with local partner organizations to support marginalized communities and tackled systemic barriers to fair trade and sustainable development. Our efforts were strengthened by the dedication of our partners, whose collaboration remains central to our mission of achieving a just and sustainable trade system.

TRUSTEES' REPORT (Continued)
FOR THE YEAR ENDED 31 MARCH 2024

Small Scale Agriculture portfolio

Asia

Empowering Women's Civil Society Organisations (CSOs) to ensure Good Governance Project:

This project is being implemented in rural areas of 5 districts in Bangladesh where poverty is high: Faridpur, Jashore and Khulna in the south, and Panchagarh and Thakurgaon in the north. It is working with 15,000 women - building community institutions of grassroot women to ensure collective voice and developing their capacity to advocate for their rights. It is also sensitizing government officials, community leaders and the larger community to promote gender equality and empower women. The project established sustainable business model managed by women and helped to reduce gender-based economic disparities. Women Community Stores functioning across the project locations has impacted collective ownership, safe spaces, employment generation, leadership and successful implementation of sustainable businesses by women.

Shifting the power to grassroots' communities through strengthening farmer-led CSOs and improving their engagement in the sustainable development process (SWABOL)

The project started in April 2023 through a Traidcraft Exchange led consortium of six NGOs in 33 disadvantaged upazilas (sub-districts) of 13 districts across Bangladesh. The work focuses on enhancing human and social capital and strengthening Smallholder Farmer-led Civil Society Organizations (FSFCSOs) as independent institutions and actors of good governance to promote inclusive and sustainable development. The project targets 46 FSFCSOs and 1,580 Local Farmer Organizations along with 50,000 participants (50% women, 7% ethnic minorities and 5% persons with disabilities). Registration of these FSFCSOs is under process which will ensure legal entity and contribute to their sustainability in the long run.

Pahadiya Samridhi (Godda, Jharkhand):

This year, the Pahadiya Samridhi project significantly improved crop production for participating households. Around 2,000 households adopted better agricultural practices like seed treatment, leading to improved germination and pest management, which boosted yields. Additionally, 600 households established kitchen gardens, enhancing their overall nutrition. To empower farmers economically, Cluster Level Federations helped aggregate and market key crops. Over 1,000 farmers, supported by the Pahadiya women's federation, secured a 25–30% price increase through collective marketing and better trade negotiations. Five operational seed banks across 90 villages provided timely, affordable seed access, reducing reliance on high-interest loans. Following the successful completion of Phase I, a proposal for Phase II, *Pahadiya Swalamban*, was approved by the OAK Foundation. This \$600,000 initiative will run from June 2024 to May 2027, building on the project's impact.

Climate resilient sustainable livelihoods for female small holder farmers, (Birbhum, West Bengal):

Funded by the Halcrow Foundation, this project supported 2,500 vulnerable families in Birbhum, West Bengal, by improving food security, diversifying livelihoods, and building resilience through social safety nets. Throughout the year, we worked with women's groups to strengthen governance, promote micro-savings, and pilot innovative agricultural practices. Partnerships with government departments secured financial and in-kind support for agricultural and water resource development. By the project's conclusion in August 2023, it had increased household incomes, enhanced food security, and established 80 Women Livelihood Committees to sustain its impact.

TRUSTEES' REPORT *(Continued)*
FOR THE YEAR ENDED 31 MARCH 2024

Africa

Participatory Grant Making:

In line with our commitment to locally led development, we advanced the Participatory Grant Making (PGM) pilot, promoting community-driven decision-making and shifting power to local organizations. In partnership with the Kenya Community Development Foundation (KCDF), we supported six community-based organizations (CBOs) in Meru and Kitui, Kenya, monitoring progress, addressing challenges, and disbursing funds for project completion. By maintaining the integrity of established structures and adopting a facilitative approach that empowers CBO leadership to make key decisions, we enhanced collaboration, building on our strong track record with local partners and made progress towards project sustainability.

Promoting the Inclusion of People with Disabilities in Cocoa, Coffee, and Palm Oil (CCP) Value Chains:

From September 2019 to December 2022, this project provided sustainable livelihood opportunities to 1,228 people with disabilities and 557 farmers and micro-entrepreneurs across cocoa, coffee, and palm oil value chains. Building on this success, the CCP transition project was launched in 2023/24, focusing on cocoa and coffee value chains in Tanzania's Rungwe and Kyela districts. By supporting 750 beneficiaries across 30 economic groups, the project worked to increase incomes within these communities.

People, Prosperity, Planet: Reduced poverty and climate resilience for coastal communities in Tanzania: (April 2022 to March 2025)

This project engaged 2,548 participants across 287 groups in Tanzania to adopt climate-resilient practices and market-driven approaches in honey, sunflower, fruit trees, poultry, and vegetable value chains. Efficient cookstoves were installed in 23 villages, significantly reducing firewood consumption—Chole Secondary School, for instance, cut usage from 24 logs to just 4 logs per day. Households are replicating this technology, cutting biomass fuel use by 50–70%. The project also introduced cage beehive technology, making beekeeping accessible to people with disabilities. Increased incomes have enabled participants to send children to school, expand farms, and improve housing, overall transforming lives across the region.

Agriculture and trade policy

This year, we produced a joint paper that gives an overview of the ways in which the trade system interacts with agricultural production. This established us as having expertise on the issue, strengthening our outreach with decision-makers. The paper highlighted key focus areas, including the right to seeds and the effect of green trade measures on small-scale farmers,

We collaborated with an MP to table an amendment to the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) Bill, aiming to exempt the 1991 International Union for the Protection of New Varieties of Plants Convention provisions (UPOV91) that include restrictions to the rights of farmers to freely use their seeds from UK agreements with member countries. Our work on intellectual property provisions continued in the UK-India trade negotiations.

Towards year-end, we initiated engagement on deforestation legislation, focusing on East Africa. We began documenting cocoa farmers' experiences to ensure their voices shape policy development.

TRUSTEES' REPORT INCLUDING THE STRATEGIC REPORT *(Continued)*
FOR THE YEAR ENDED 31 MARCH 2024

Garments portfolio

Asia

Hidden Homeworkers Project:

This project supported 21,000 home-based workers across India, Nepal, and Pakistan, empowering them with skills in supply chain understanding, financial and digital literacy, occupational health and safety, and income diversification. During the COVID-19 pandemic, the project swiftly adapted to address urgent community needs, providing psychosocial counseling, awareness campaigns, sanitation supplies, PPE, and food kits. The initiative also elevated the narrative of homeworking, engaging over 80 brands, multiple multi-stakeholder initiatives (MSIs), and industry associations, leading to greater recognition of home-based workers. While the project closed in 2023/2024, it leaves a legacy, including a toolkit to help brands map homeworking chains, contributing to systemic change.

Sadhna - Reimagining women artisans organization: building livelihoods, resilience and wellbeing project (January to December 2023):

The partnership with Sadhna achieved key milestones in artisan empowerment, sustainability, and organizational development. During this period, the program recruited 119 new artisans, successfully expanding operations to the Kumbhalgarh region. It provided social security for 171 artisans, trained 20 artisans in zero-waste production, and introduced eco-printing techniques and sustainable fabrics. The program showcased artisans' work nationally, with 16 artisans participating in exhibitions, driving customer engagement and boosting sales. Online sales grew by 25% through enhanced e-commerce efforts.

Laying the groundwork for future growth, the project added 100+ artisans to Sadhna's network, empowering women in their communities with skills to earn independently. and explored establishing a Kumbhalgarh work unit to empower more women with sustainable livelihoods.

Participatory Photography project:

In early 2023, women from a garment collective in Tirupur, India, learned photography skills from a professional photojournalist. Armed with cameras, they spent three months capturing their lives and experiences as homeworkers in the garment supply chain. Their powerful photos revealed both the challenges and benefits of homeworking, shedding light on systemic issues such as denial of fundamental rights, including minimum wage, sick pay, and maternity leave—despite homeworkers' integral role in the fashion supply chain.

Calling for a Fashion Watchdog

Our garments work continued to build over the year. By the end of the financial year, 10% of all MPs had pledged to support the Fashion Watchdog. We are working with the team in India on research to understand the impact on Indian suppliers of poor purchasing practices, and are developing work with the University of Nottingham to deliver similar research on the impact on UK suppliers. All of this will build the evidence base for the Fashion Watchdog. We have built good relationships with the Director for Labour Market Enforcement, whose backing will be important to securing the Fashion Watchdog. We have also built an informal coalition of supportive NGOs to help increase the visibility of the campaign. Over the course of the year, we have continued to engage with UK brands to encourage them to champion the Fashion Watchdog.

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Tea portfolio

Asia

Building Voices and Creating Choices for Tea worker communities (in North Bengal and Assam):

The project's goal is to reduce socio economic vulnerability and to improve the livelihoods and resilience of 9,000 tea worker communities in 5 districts of North Bengal and Assam. This Oak Foundation funded project will cover 35 gardens - 25 in North Bengal and 10 in Assam. During the year, some pilots were initiated for mitigating climate stress in the tea sector, a study on the living income of tea workers was rolled out, partnerships with local government institutions were further strengthened and several individual and group schemes were leveraged for the project participants. In addition, a range of on-farm and off-farm livelihood activities were initiated with the project participants to raise their overall household income.

Africa

Working with Small Tea Growers (STGs):

We built on the scoping work done in the previous year. In Kenya, guided by the scoping research findings, the project has identified and supported one STG, the Nyeri Chai Farmers Association, on strengthening the organization and developing its capacity to influence and advocate for issues affecting its members and STGs in general. The organization has 3,532 (2,119 F & 1,413 M) members working with five tea factories in Nyeri County. The activities and results included: developing and launching a five-year strategic plan, selected training on governance and leadership, lobbying and advocacy, increased awareness about the Association and members recruitment, sensitisation on gender discrimination and sexual harassment, creation of a women forum and strengthening the capacity of women tea farmers. The STGs have received training in agriculture-related subject areas and income generation opportunities, based on a needs assessment conducted in early 2024.

During the same period, the project-initiated discussions with a Caucus representing STGs in Murang'a, a neighboring county in Kenya, who are looking to partner with Transform Trade to support their STGs. Criteria have been jointly developed to guide in selecting a few factories that could potentially form part of a pilot project.

In Tanzania, we partnered with Kazi Yetu – an Africa-based, women-owned specialty tea and botanicals social enterprise. The company buys tea from small holder farms through their cooperative and creates jobs through local value addition by processing, blending and packaging its products from its women-run factory. We supported them to get equipment for storage of raw materials, renovate factory furniture to comply with food standards and train staff on health and safety. There was also capacity development of the producer groups through the cooperative, including training on gender mainstreaming, governance and leadership, and sustainable organic certification.

Broader Policy and Advocacy work

Traidcraft Exchange's policy and campaigning work seeks wider impact by tackling systemic issues that affect poor and vulnerable people in international trade, and by holding UK businesses and governments to account. As part of UK coalitions, we supported work to secure a better governance structure for UK trade policy, including significant improvement to scrutiny and stakeholder engagement practices, and a strategy that would include detail about how UK trade relates to other foreign policy priorities such as tackling climate change.

Advocating for Climate and People-Friendly UK Trade Policies

During this financial year we began to develop key areas of work under this heading. We produced a joint report on the likely impact of carbon border adjustment mechanisms for the Global South, responded to consultations on the subject and engaged with civil servants. We also engaged with NGOs and academics on green trade measures, raising the need to avoid negative consequences for small producers in the global south. We will develop this work further in the coming financial year.

TRUSTEES' REPORT *(Continued)*
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Mandatory Human Rights and Environmental Due Diligence

We continued to build support for a UK Business, Human Rights, Environment Act (BHREA) to tackle environmental and human rights abuses associated with business. We have been working with a Mexican community to test the ability of the Financial Reporting Council to hold companies to account for poor practice, in this case illegal mining of land and ignoring Mexican court orders to pay compensation and restore the polluted land. The work will add to the body of evidence on the need for the BHREA.

Traidcraft Services India Private Limited (TSIPL)

The year had been challenging for TSIPL with significant staffing changes slowing progress. However, during the latter half of the year, the team realigned and gained momentum in terms of creating a healthy pipeline of proposals of £396,000. The ongoing projects that the company was working on received good feedback from the clients. Additionally, the company saw positive revenue growth with modest profit reported in the current year. During the year, the company also realigned its Annual Plan for the coming year as per the new objectives shared by Transform Trade.

Our ongoing work generated important learnings for the team and key stakeholders within the sector. For example, our work with Organic Cotton Accelerator helped enterprises and companies working on organic cotton value chain understand the nuances of decent work. It helped companies to look at their policies and their farm operations to address issues of child labor, forced labor, unequal wages and issues of occupational health and safety.

Raising funds

Public Fundraising and Legacies:

Overall, we raised just over £1.5m through Public Fundraising and Legacies in 23/24. That's in line with our targets and represents a small amount of growth against the previous year's total of £1.4 million

The 23/24 year was largely about rebuilding and solidifying our fundraising performance in the first full year since our long-term partner, Traidcraft plc, closed down. With this in mind and against a backdrop of a global cost of living crisis, the small growth year on year is a big noteworthy achievement.

Highlights

Central to this positive performance was the £800K we raised through our fundraising appeals and our regular givers. These two income streams contribute to more than half of our total income and in 23/24 they hit a really good level once again.

Gifts in wills continued to be a significant source of fundraising with approximately £340K coming from this channel in 23/24.

Gifts from Fair Trade shops and stalls almost doubled our forecast – with these stalls raising more than £110K against a target of £60K. We saw something of a rallying effect after the Traidcraft closure as well as some prominent shops closing down and giving large donations as part of that process.

Another highlight was the performance of a new income line, Transform Trade Christmas Cards – which also carry the Traidcraft brand, now under our care. This represents a new source of fundraising income through selling products. In our first season, we sold more than £70K worth of Christmas cards. This was a huge boost and outperformed our target of raising £55K.

Outside of this we also raised a significant amount of money through a strong network of mid to high level donors who provide match funding for appeals and larger one-off gifts. This network contributed over £100K to our fundraising targets and continues to be a source of strength for us.

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Challenges

In a year that met targets and outperformed our previous year, the challenge remains to grow our income so that we can expand our work in future. Our bigger lines like committed giving had positive years early on but they were static year on year and as such not in a position of growth. Other lines that performed well like Gifts in Wills (legacy income) and Gifts from Fair Trade Shops and Stalls are less likely to repeat their success in future years.

To meet the challenges that lie ahead we strive to continue to pursue new opportunities for raising money and growing our support base.

Grants from institutional sources:

We received £12,650 in unrestricted grants from five trusts and foundations. We received £212,874 in restricted grants from trusts and foundations – although this was below our target of £317,000, this figure is higher than any other previous year. Further, we secured a £55,000 grant from one statutory funder – the Guernsey Overseas Aid & Development Commission – to support our women's economic empowerment programme in Bangladesh.

Overall grants from institutional sources was below our target of £500,000 due to a limited scope to design new programmes for statutory funding.

Financial review

On the first full year since Traidcraft plc, our founding partner, closed down, Traidcraft Exchange has shown continued resilience posting a notable lower overall net deficit of £ 600,281 (2022/23: £ 916,095 re-stated deficit)

Performance against budget targets:

Traidcraft Exchange's board approved a deficit budget of £.341,249 for 23/24 against total restated reserves of £.1,152,777 for the year ended 31st March 2023.

Through concerted efforts in fundraising in FY23/24, we raised £.3.37M against budget of £.3.98M, falling short of our target by 15%. Additionally, through cost cutting measures, we operated on a leaner cost base that saw us expend below our budget by 8% (£.3.98M against budget of £.4.32M).

Performance compared to previous years:

Total income for the charity fell marginally from £3.45M in 22/23 to £3.38M in 23/24. Donations and legacies income increased from £.1.44M in 22/23 to £.1.88M in 23/24 whereas income from charitable activities fell from £.2.01M in 22/23 to £.1.5 M in 23/24. This net decrease in total income of £.76K was largely driven by a drop in statutory income arising from statutory grants that closed or were approaching close out during the year.

Risk management

The Board is responsible for Traidcraft Exchange's system of internal control and for reviewing its effectiveness. Such a system is designed to manage, but not eliminate, the risk of failure to achieve our objectives. Responsibility for managing the risks has been allocated within the executive team and, where appropriate, actions needed have been built into departmental action plans.

Management, on behalf of the Board, ensures the operation and effectiveness of internal controls by the following means:

- Control environment – creating an organizational structure with clearly defined responsibilities.

TRUSTEES' REPORT *(Continued)*
FOR THE YEAR ENDED 31 MARCH 2024

- Operating controls – each department maintains financial controls and procedures appropriate to its own business environment.

- Budgetary control and financial reporting – Budgets are prepared by each department and reviewed by management and passed to the Board for approval. Financial performance against budget is monitored, with minutes and management accounts tabled at quarterly Board meetings.

The key financial risks that Traidcraft Exchange faces are around our less predictable income streams, such as legacies and public appeals. The situation around Traidcraft plc had been a significant source of financial risk in 22/23 and 23/24, but since then, Traidcraft plc liabilities became known and there will be less risk in future in this regard.

Another key risk is the challenges in finding match funding in relation to some of Traidcraft Exchange's institutional grants. This is mitigated by calculating a specific part of the minimum reserves target that needs to be held in respect of any funds that are yet to be raised.

The final area of risk is related to the shift in Traidcraft Exchange's strategy and finding new sources of more flexible funding to support that shift. This creates a financial risk as well as a risk that we might not fully achieve our objectives. This continues to be mitigated by management adopting more adaptive approaches to planning and budgeting in 24/25 and beyond.

Reserves policy

The trustees consider it prudent that Traidcraft Exchange should seek to maintain unrestricted reserves at a level sufficient to meet matched funding requirements, budgeted staff, overheads and fundraising costs. When calculating unrestricted reserves, fixed assets and investments are excluded due to their illiquid nature.

Whereas the organization has reported a deficit for the past two years now, a more positive outlook is projected for the financial year 24/25 and beyond. The trustees have approved an achievable surplus budget for the financial year 24/25 and Management further projects a modest surplus budget for year 25/26.

Going concern

The trustees have a reasonable expectation that Traidcraft Exchange has adequate resources to continue in operational existence for the foreseeable future. Management implemented significant cost savings, including making several staff redundant, at the end of 2023. This enabled the trustees to approve a budget for 24/25, which should generate an unrestricted surplus.

In view of the deficit in 23/24, the trustees have therefore taken particular care in reviewing the going concern basis. When reviewing their decision, they have taken the following factors into account:

- Traidcraft Exchange prepares an annual cashflow forecast as part of its budgeting process. The cashflow forecast is monitored on a monthly basis. Further, expenditure levels are monitored against budget on a monthly basis through cost center reports
- Traidcraft Exchange has not encountered any difficulty in paying its creditors within agreed payment terms.
- In general, most of our institutional donors provide their grants in advance of spending.
- Cashflow projections for the year following approval of these financial statements show that the charity will have adequate funds to meet its liabilities as they fall due.
- Traidcraft Exchange has set an achievable budget for the year 24/25 which should return a modest unrestricted surplus.

For these reasons, the trustees continue to adopt the going concern basis in preparing the financial statements.

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Plans for future periods

We remain focused on our strategic direction, applying lessons learned as we put producers at the centre of our work, prioritising them as key stakeholders and leaders and evolve into a participatory grant-maker, facilitator, and advocate.

Despite challenges in the funding landscape, we are committed to strengthen existing relationships and build new ones with donors aligned with our values, prioritizing flexible funding to support local partner priorities.

Following our acquisition of the Traidcraft brand in 2023, we've been working to honor the Fairtrade pioneer's legacy while raising vital funds for Transform Trade. This includes launching ethically produced Traidcraft Christmas Cards, tea, and toilet roll (in collaboration with Serious Tissues). Profits support our mission, and the Traidcraft brand serves as a licensing mark to promote fair trade principles in supply chains like charcoal and latex, ensuring more value reaches producers globally.

On governance, we are progressing with the merger of the Foundation into Traidcraft Exchange, simplifying our structure and enhancing accountability to our primary stakeholders.

Structure, governance and management

Constitution

Traidcraft Exchange is a company limited by guarantee governed by its Memorandum and Articles of Association (updated 2011). It is registered as a charity with the Charity Commission.

Organisational structure

Historically, Traidcraft worked through three closely linked entities, sharing the same values and mission; Traidcraft plc, Traidcraft Exchange and Traidcraft Foundation. Traidcraft Plc and Traidcraft Exchange worked in close partnership. The Foundation's mandate is to protect the Christian identity of Traidcraft.

With the collapse of Traidcraft plc, we are exploring merging the Traidcraft Foundation into Traidcraft Exchange.

Board structure

Traidcraft Exchange's Board is responsible for approving Traidcraft Exchange's policy and strategy. It meets regularly during the year and has a schedule of matters specifically reserved to it for decision. The management team supplies the Board with appropriate and timely information and the trustees are free to seek any further information they consider necessary. All trustees have access to advice from the Company Secretary and independent professionals at the charity's expense. Training is available for new trustees and other trustees as necessary.

All trustees are subject to re-election at least every three years, except the Foundation Trustee (who is appointed by the Traidcraft Foundation for a three-year term).

This year the board appointed two new trustees – France Villeneuve and Adamson Nsimba.

The Chief Executive is appointed by the trustees to manage the day-to-day operations of the charity with the assistance of the other senior management. To facilitate effective operations, the Chief Executive has delegated authority for operational matters.

Trustees in office during the year are listed on page 1. During the year, two new trustees joined the board, France Villeneuve and Adamson Richard Nsimba. Subindu Garkhel was appointed as Advisor to the board during the year.

TRUSTEES' REPORT (Continued)
FOR THE YEAR ENDED 31 MARCH 2024

Governance developments in the year

The board continued its efforts to diversify, internationalize, and become more inclusive, aligning its governance practices with the organization's vision and values. As part of this commitment, two new trustees were appointed, bringing valuable expertise, perspectives, and lived experiences that enhance the board's ability to guide the organization effectively. These appointments reflect a continued focus on ensuring governance structures that are representative, forward-looking, and equipped to support the organization's mission. The board remains committed to advancing these priorities into the coming year.

Appointment and training of Trustees

Traidcraft Exchange has a Nominations Committee which identifies and proposes candidates for the Board of Traidcraft Exchange. Recruitment and selection of new Board members is by a combination of external advertisement and networking. Candidates are asked to provide written expression of interest and, if shortlisted, are interviewed by members of the Nominations Committee. Following recommendation by the Nominations Committee and approval by the Traidcraft Foundation, successful candidates are co-opted onto the Board.

Board members receive letters of appointment, including a job description and statement of expectations. Induction packs are provided to new trustees and induction meetings are arranged to cover key responsibilities, learn about the work of the organisation and meet key employees.

Pay policy

The Remuneration Committee, made up of three trustees, has responsibility for making recommendations to the Board on Traidcraft Exchange's general policy on CEO remuneration and determines the specific package for the CEO. It carries out these aspects of Traidcraft Exchange's remuneration policy on behalf of the Board. As well as considering conditions in Traidcraft Exchange as a whole, it uses external data to set the context for its deliberations and takes into account Traidcraft Exchange's position relative to other organisations and is aware of what these are paying. The policy of the Board is to provide remuneration packages that will attract, motivate and retain a CEO of the calibre necessary to maintain Traidcraft Exchange's position and to ensure that it meets its various objectives.

Trustees of Traidcraft Exchange receive no payment in relation to their role as Trustees of the charity. Travelling and other expenses are reimbursed. No trustees received remuneration from the charity during the year.

For all other staff, including senior staff, salary setting is determined by the Senior Management Team, following input from HR. When setting appropriate salaries for individual roles, internal relativities and external data is considered in order to make the reward as fair as possible in the Traidcraft Exchange context. Traidcraft Exchange implements a reward approach with defined salary bands and ranges. External benchmarking was conducted to inform how Traidcraft Exchange salaries compare against external market rates. Benchmarking information was then used to establish transparent 'levels' for pay scales, and to allocate roles to these scales.

Disclosure of information to auditor

Each of the persons who are trustees at the time when this trustees' report is approved has confirmed that:

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

Auditor

As we embarked on our new strategic plan, we have increasingly seen the need to strengthen our internal control systems and processes to build an even more agile, accountable and sustainable organization. Amongst the strategies to achieve this is to seek a fresh perspective to our internal control systems which included considerations of change of auditors. Following a tender process, the tender committee recommended the appointment of Haines Watts (now CLA Evelyn Partners) as auditors for the 2024 financial year. This recommendation was approved during the AGM.

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TRUSTEES' REPORT *(Continued)*

FOR THE YEAR ENDED 31 MARCH 2024

REFERENCE AND ADMINISTRATIVE DETAILS

Charity number: 1048752
Company number: 3031674
Registered office: 7-15 Pink Lane, Newcastle Upon Tyne, NE1 5DW

Advisors

Auditors	CLA Evelyn Partners Limited	17 Queens Lane, Newcastle upon Tyne, NE1 1RN
Bankers	HSBC Bank PLC	110 Grey Street, Newcastle upon Tyne, NE1 6JG
Solicitors	Muckle LLP	32 Gallowgate, Newcastle upon Tyne, NE1 4BF

Directors and Trustees

The Directors of The Traidcraft Exchange are the Trustees for the purpose of charity law. The Trustees and officers serving during the year and since the year end were as follows:

Trustees:	David Pain	(Chair)
	Laurence Sewell	
	Judith Kirton-Darling	
	Karimi Kinoti	
	Anita Cheria	
	Adamson Nsimba	(Appointed 24 March 2024)
	France Villeneuve	(Appointed 24 March 2024)

Advisor to the board:

Subindu Garkhel	(Appointed 24 March 2024)
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Key management personnel:

Charlotte Timson	(Resigned 30 June 2024)
Alice Oyaro – Director of International Programs, Policy & Partnerships	(Appointed Interim CEO 27 May 2024)
Jon McNaughton – Head of Public Engagement and Communication	(Appointed Deputy CEO 27 May 2024)
Shahed Ferdous-Country Director – Bangladesh	(Resigned 26 September 2024)
Mukesh Tiwary – Head of Programs – India	(Appointed acting Business Head 19 August 2024)
Ruth Gergan – Head of Policy & Advocacy	(Appointed 11 September 2023)
Filbert Kavia – Africa Region Director	
Rakesh Supkar – Business - India	(Resigned 18 August 2024)
Alexander Carnwarth – Head of Policy & Advocacy	(Resigned 02 June 2024)
Thomas Royle – Head of Finance	(Resigned 31 July 2024)
Amy Wilson – Head of Partnerships and Investment	(Resigned 28 June 2024)
Janet Ruminju – Head of Programmes – East Africa	(Resigned 01 December 2024)
Revathy Rugmini – Regional Director – Asia	(Appointed 20 June 2024)
Zahir Bin Siddique – Head of Programmes & Operations	(Appointed 07 July 2024)
Doris Nelima – Head of Finance & Administration	(Appointed 08 August 2024)

TRUSTEES' REPORT *(Continued)*
FOR THE YEAR ENDED 31 MARCH 2024

STATEMENT OF TRUSTEES RESPONSIBILITIES

The Trustees (who are also Directors of The Traidcraft Exchange for the purpose of company law) are responsible for preparing the Trustees Report (including the Strategic 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 the financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and the incoming resources and application of resources, including the net income or expenditure, of the charity and the group for the year. 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 2015 (FRS 102);
- make judgements 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;
- prepare the financial statements on a going concern basis unless it is inappropriate to assume that the charitable company will continue in operation.

The Trustees are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and the group 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 charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud or other irregularities.

In so far as the Trustees are aware:

- there is no relevant audit information of which the charity's auditors are unaware; and
- the Trustees have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Approved by the Trustees on ...21st Jan 2025... and signed on their behalf by:



.....
David Pain
Chair

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE TRAIDCRAFT EXCHANGE
FOR THE YEAR ENDED 31 MARCH 2024**

Opinion

We have audited the financial statements of The Traidcraft Exchange (the 'charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2024 which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Charitable Company Balance Sheet, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and charitable company's affairs as at 31 March 2024, and of the group's 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE TRAIDCRAFT EXCHANGE (*continued*)
FOR THE YEAR ENDED 31 MARCH 2024

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and parent charitable 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 by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's 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.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 13, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and parent 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 TO THE MEMBERS OF THE TRAIDCRAFT EXCHANGE *(continued)*
FOR THE YEAR ENDED 31 MARCH 2024

Auditor's responsibilities for the audit of the financial statements

We have been appointed auditor under the companies Act 2006 and we report in accordance with this Act.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

We obtained an understanding of the legal and regulatory framework applicable to both the company itself and the industry in which it operates. We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with the directors and other management. The most significant were identified as the Charities Act 2011, Companies Act 2006, UK GAAP (FRS102) and relevant tax legislation. We considered the extent of compliance with those laws and regulations as part of our procedures on the related financial statements. Our audit procedures included:

- confirming with the trustees and management whether they have any knowledge or suspicion of fraud;
- obtaining an understanding of the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;
- assessing the risk of management override including identifying and testing a sample of journal entries;
- confirmation received from the banks to verify the balance as on the last day of the accounting year;
- reviewing minutes of meetings of those charged with governance.

Our audit did not identify any key audit matters relating to the detection of irregularities including fraud. However, despite the audit being planned and conducted in accordance with ISAs (UK) there remains an unavoidable risk that material misstatements in the financial statements may not be detected owing to inherent limitations of the audit, and that by their very nature, any such instances of fraud or irregularity likely involve collusion, forgery, intentional misrepresentations, or the override of internal controls.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE TRAIDCRAFT EXCHANGE (*continued*)
FOR THE YEAR ENDED 31 MARCH 2024**

Use of our report

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



Craig Henderson (Senior Statutory Auditor)
for and on behalf of CLA Evelyn Partners Limited

22 January 2025

Statutory Auditor

17 Queens Lane
Newcastle upon Tyne
NE1 1RN

The Traidcraft Exchange
(A Company Limited by Guarantee)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (including consolidated income and expenditure account)

FOR THE YEAR ENDED 31 MARCH 2024

		Unrestricted Funds	Restricted Funds	Total 2024	As restated Total 2023
	Note	£	£	£	£
Income from:					
Donations and legacies	4	1,879,508	-	1,879,508	1,439,883
Charitable activities	5	51,386	1,446,909	1,498,295	2,013,912
Total income		<u>1,930,894</u>	<u>1,446,909</u>	<u>3,377,803</u>	<u>3,453,795</u>
Expenditure on:					
Raising funds	6				
Voluntary income sources		776,149	-	776,149	726,603
Institutional income sources		114,122	-	114,122	215,963
Charitable activities	7				
Development programmes		689,927	1,702,932	2,392,859	2,713,755
Policy and campaigns		584,682	54,348	639,030	698,009
Total expenditure		<u>2,164,880</u>	<u>1,757,280</u>	<u>3,922,160</u>	<u>4,354,330</u>
Net movement in funds before transfers		(233,986)	(310,371)	(544,357)	(900,535)
Transfer between funds	19	(69,546)	69,546	-	-
Net movement in funds after transfers		<u>(303,532)</u>	<u>(240,825)</u>	<u>(544,357)</u>	<u>(900,535)</u>
Other recognised gains/(losses)					
Unrealised foreign exchange losses		(55,924)	-	(55,924)	(15,560)
Net movement in funds		<u>(359,456)</u>	<u>(240,825)</u>	<u>(600,281)</u>	<u>(916,095)</u>
Reconciliation of funds					
Total funds brought forward		653,742	499,035	1,152,777	2,068,872
Total funds carried forward		<u>294,286</u>	<u>258,810</u>	<u>552,496</u>	<u>1,152,777</u>

All income and expenditure derive from continuing activities.

The Statement of Financial Activities includes all gains and losses recognised in the year.


The Traidcraft Exchange
(A Company Limited by Guarantee)

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2024

			2024	As restated 2023
	Notes	£	£	£
Fixed assets				
Intangible assets	14		19,800	-
Tangible assets	13		12,045	14,743
			<u>31,845</u>	<u>14,743</u>
Current assets				
Debtors	16	330,894		397,755
Cash at bank and in hand		601,679		1,616,624
		<u>932,573</u>		<u>2,014,379</u>
Creditors: amounts falling due within one year	17	(411,922)		(876,345)
		<u></u>		<u></u>
Net current assets			520,651	1,138,034
Net assets			<u>522,496</u>	<u>1,152,777</u>
Charity Funds				
Unrestricted funds			294,286	653,742
Restricted funds			258,210	499,035
Total Charity Funds	19		<u>552,496</u>	<u>1,152,777</u>

The notes on pages 22 to 46 form part of these financial statements.

The financial statements were approved by the Trustees on 21st Jan 2025 and signed on their behalf by:


.....
David Pain
Chair

Company Number: 03031674

The Traidcraft Exchange
(A Company Limited by Guarantee)

CHARITABLE COMPANY BALANCE SHEET
AS AT 31 MARCH 2024

			2024	As restated
	Notes	£	£	2023
			£	£
Fixed assets				
Intangible assets	14		19,800	-
Tangible assets	13		10,202	13,856
Investments	15		1,000	1,000
			<u>31,002</u>	<u>14,856</u>
Current assets				
Debtors	16	260,274	397,222	
Cash at bank and in hand		599,843	1,612,538	
		<u>860,117</u>	<u>2,009,760</u>	
Creditors: amounts falling due within one year	17	(378,715)	(857,572)	
		<u></u>	<u></u>	
Net current assets			481,402	1,152,188
Net assets			<u>512,404</u>	<u>1,167,044</u>
			<u></u>	<u></u>
Funds				
Unrestricted funds			254,194	668,009
Restricted funds	19		258,210	499,035
			<u>512,404</u>	<u>1,167,044</u>
			<u></u>	<u></u>

The notes on pages 22 to 46 form part of these financial statements.

The financial statements were approved by the Trustees on 21st Jan 2025 and signed on their behalf by:



David Pain
Chair

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Company Number: 03031674

The Traidcraft Exchange
(A Company Limited by Guarantee)

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2024

		2024	As restated 2023
	Note	£	£
Net cash provided by/(used in) operating activities	24	(974,079)	(1,100,938)
Cash flows from investing activities			
Purchase of tangible assets		-	(11,159)
Interest received		15,058	2,738
Net cash flow from investing activities		15,058	(8,421)
Net decrease in cash and cash equivalents		(959,021)	(1,109,359)
Cash and cash equivalents at the beginning of the year		1,616,624	2,741,543
Change in cash and cash equivalents due to exchange rate movements		(55,924)	(15,560)
Cash and cash equivalents at the end of the year		601,679	1,616,624
Cash and cash equivalents consist of:			
Cash at bank and in hand		601,679	1,616,624

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

1. 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 accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice.

The Traidcraft Exchange meets the definition of a public benefit entity under FRS 102.

The financial statements are prepared under the historical cost convention or transaction value unless otherwise stated in the relevant accounting policy note(s). The financial statements are prepared in Sterling which is the functional currency of the charity and rounded to the nearest £.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

1.2 Basis of consolidation

The financial statements consolidate the results of The Traidcraft Exchange and its wholly owned subsidiary. A separate Statement of Financial Activities and Income and Expenditure Account for the charity has not been presented because The Traidcraft Exchange has taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

1.3 Going concern

After making enquiries, the Board of Trustees has a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

In view of the deficit in 23/24, the trustees have therefore taken particular care in reviewing the going concern basis. When reviewing their decision, they have taken the following factors into account:

Traidcraft Exchange prepares an annual cashflow forecast as part of its budgeting process. The cashflow forecast is monitored on a monthly basis. Further, expenditure levels are monitored against budget on a monthly basis through cost center reports.

Traidcraft Exchange has not encountered any difficulty in paying its creditors within agreed payment terms.

In general, most of our institutional donors provide their grants in advance of spending.

Cashflow projections for the year following approval of these financial statements show that the charity will have adequate funds to meet its liabilities as they fall due.

Traidcraft Exchange has set an achievable budget for the year 24/25 which should return a modest unrestricted surplus.

For these reasons, the trustees continue to adopt the going concern basis in preparing the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2024

1.4 Funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of The Traidcraft Exchange and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors which have been raised by The Traidcraft Exchange for particular purposes. The cost 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.

1.5 Income

All incoming resources becoming available to the charity during the year are recognised in the Statement of Financial Activities. Income is deferred where incoming resources are received in advance of the service being provided. No incoming resources are stated net of expenditure.

Institutional grants, where related to performance and specific deliverables, are accounted for as the Charity earns the right to consideration by its performance. Where income is received in advance of performance its recognition is deferred and included in creditors. Where entitlement occurs before income is received the income is accrued and included in debtors.

Government grants are recognised when the charity has entitlement to the income, receipt is probable and the amount can be measured reliably.

Listed shares donated during the year are included in donations and valued at estimated market value. Unlisted shares donated during the year are included in donations and valued at estimated market value.

Legacies are recognised as income, in the accounting period, once the Charity has been informed of the amount of a bequest and it can be measured with sufficient reliability.

Investment income is recognised on a receivable basis.

1.6 Expenditure and irrecoverable VAT

Expenditure is brought into the financial statements as it is incurred. Overheads (including management and administration costs) and other non-specific expenditure are allocated between charitable activities and generating funds in proportion to the number of staff employed within each area. This is shown as "overhead allocation" in the notes and apportioned on the basis of staff headcount.

Costs of generating funds are those incurred in seeking voluntary income and grants from institutional sources and do not include the costs of disseminating information in support of the charitable activities. These costs include the salaries, direct expenditure and overhead costs of the staff who promote fundraising.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2024

Costs of charitable activities represent the salaries and overhead costs of staff directly working in International Programmes and the Policy Unit together with expenditure directly attributable to these activities.

Irrecoverable VAT is charged as a cost to the Statement of Financial Activities.

1.7 Support cost allocation

Support costs represent the costs incurred by finance, IT and human resources attributable to the management of the Charity's assets and organisational administration.

1.8 Tangible fixed assets

Tangible fixed assets costing more than £500 are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Office equipment	- 25% straight line
Computer equipment	- 10% straight line

1.9 Intangible fixed assets

Intangible fixed assets are stated at cost less amortisation. Amortisation is provided at rates calculated to write off the cost of the fixed assets, less their estimated residual value, over their expected useful lives on the following basis:

Capitalised Software	- 4 years
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1.10 Foreign currencies

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are retranslated at the rates of exchange ruling at the balance sheet date. The functional currency of the Group is GBP Sterling.

1.11 Investments

Investments in subsidiary undertakings are held at cost less impairment.

1.12 Stock

Stock is valued at the lower of cost and net realisable value.

1.13 Debtors

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

1.14 Cash at bank and in hand

Cash at bank and cash 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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2024

1.15 Creditors and provisions

Creditors and provisions are recognised where the charity 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 recognised at their settlement after allowing for any trade discounts due.

1.16 Pensions

For the defined contribution pension scheme, the pension costs charged to the Statement of Financial Activities represent the amount of the contributions payable in respect of the accounting period.

For the defined benefit schemes the amount charged to the Statement of Financial Activities in respect of pension costs and other post retirement benefits is the estimated regular cost of providing the benefits accrued in the year, adjusted to reflect variations from that cost. The interest cost and expected return on assets are included within other finance costs.

Actuarial gains and losses arising from new valuations and from updating valuations to the balance sheet date are recognised in the Statement of Financial Activities.

Defined benefit schemes are funded, with the assets held separately from the group in separate trustee administered funds. Full actuarial valuations, by a professionally qualified actuary, are obtained at least every three years, and updated to reflect current conditions at each balance sheet date. The pension scheme assets are measured at fair value. The pension scheme liabilities are measured using the projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency. A pension scheme asset is recognised on the balance sheet only to the extent that the surplus may be recovered by reduced future contributions or to the extent that the trustees have agreed a refund from the scheme at the balance sheet date. A pension scheme liability is recognised to the extent that the group has a legal or constructive obligation to settle the liability.

The administration costs of running the closed defined contribution scheme are charged to the Statement of Financial Activities. Further details are provided in the notes to the accounts.

1.17 Financial instruments

The Traidcraft Exchange 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.

1.18 Judgements and key sources of estimation uncertainty

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

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
FOR THE YEAR ENDED 31 MARCH 2024

1.19 Judgements and key sources of estimation uncertainty (continued)

Key estimates included within these financial statements include assumptions regarding discount rates and mortality in calculating the value of retirement benefits. Trustees keep these assumptions under review and employ the services of qualified actuaries to calculate the resulting expected asset or liability to the charity in respect of retirement benefits. None of the other estimates made in the preparation of these financial statements are considered to carry significant estimation uncertainty, nor to bear significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

In preparing these financial statements, no significant judgements were required in the process of applying the company's accounting policies.

2. Legal status

The Traidcraft Exchange is a company limited by guarantee, registered in England and Wales, (number 03031674) and not having a share capital. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2024

3. Statement of financial activities from the prior year as restated

	Note	Unrestricted Funds £	Restricted Funds £	Total 2023 £
Income from:				
Donations and legacies	4	1,439,883	-	1,439,883
Charitable activities	5	101,820	1,912,092	2,013,912
Total income		<u>1,541,703</u>	<u>1,912,092</u>	<u>3,453,795</u>
Expenditure on:				
Raising funds	6			
Voluntary income sources		726,603	-	726,603
Institutional income sources		215,963	-	215,963
Charitable activities	7			
Development programmes		946,455	1,767,300	2,713,755
Policy and campaigns		676,970	21,039	698,009
Total expenditure		<u>2,565,991</u>	<u>1,788,339</u>	<u>4,354,330</u>
Net movement in funds before transfers		(1,024,288)	123,753	(900,535)
Transfer between funds	21	(22,401)	22,401	-
Net movement in funds after transfers		<u>(1,046,689)</u>	<u>146,154</u>	<u>(900,535)</u>
Other recognised gains/(losses)				
Unrealised (losses)		(15,560)	-	(15,560)
Net movement in funds		<u>(1,062,249)</u>	<u>146,154</u>	<u>(916,095)</u>
Reconciliation of funds				
Total funds brought forward		1,715,991	352,881	2,068,872
Total funds carried forward		<u>653,742</u>	<u>499,035</u>	<u>1,152,777</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2024

4. Income from donations and legacies

	2024	2023
	£	£
Donations	1,534,665	1,267,691
Legacies	328,693	147,920
Other donations	16,150	24,272
	<u>1,879,508</u>	<u>1,439,883</u>

5. Charitable activities

	Unrestricted	Restricted	2024	2023
	Funds	Funds	£	£
	£	£		
Grants from institutional sources	-	1,446,909	1,446,909	1,912,092
Consultancy and other income	51,386	-	51,386	101,820
	<u>51,386</u>	<u>1,446,909</u>	<u>1,498,295</u>	<u>2,013,912</u>

6. Costs of generating funds

Voluntary income

	2024	2023
	£	£
Travel and accommodation	348	544
Direct costs	297,581	241,814
Support costs	167,379	167,400
Direct salaries	310,841	316,845
	<u>776,149</u>	<u>726,603</u>

Institutional sources

	2024	2023
	£	£
Support costs	114,122	145,530
Direct salaries	-	70,433
	<u>114,122</u>	<u>215,963</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2024

7. Analysis of expenditure on charitable activities

	Unrestricted funds £	Restricted funds £	Total 2024 £	Total 2023 £
Development Programmes				
Direct salaries	453,310	289,410	742,720	782,643
Travel and accommodation	15,261	55,628	70,889	111,082
Direct programme costs	220,445	1,265,225	1,485,670	1,655,821
Support costs (Note 8)	912	92,668	93,580	164,209
	<u>689,928</u>	<u>1,702,931</u>	<u>2,392,859</u>	<u>2,713,755</u>
 Policy Unit and Campaigning				
Direct salaries	313,259	42,072	355,331	406,277
Travel and accommodation	2,685	1,525	4,210	752
Direct programme costs	3,975	10,752	14,727	22,275
Support costs (Note 8)	264,763	-	264,763	164,209
	<u>584,682</u>	<u>54,348</u>	<u>639,030</u>	<u>698,009</u>
	<u>1,274,610</u>	<u>1,757,279</u>	<u>3,031,889</u>	<u>3,411,764</u>

8. Support costs

	Voluntary Income £	Institutional Sources £	Development Programmes £	Policy & Campaigning £
Management and admin salaries	114,622	78,152	64,084	181,312
Governance	20,061	13,678	11,216	31,733
Office services	20,248	13,805	11,320	32,028
Office machinery and consumables	1,665	1,135	931	2,634
Financial services	10,783	7,352	6,029	17,057
	<u>167,379</u>	<u>114,122</u>	<u>93,580</u>	<u>264,763</u>
			2024	2023
			£	£
Management and admin salaries			438,170	462,308
Governance			76,687	89,765
Office services			77,401	129,726
Office machinery and consumables			6,365	15,632
Financial services			41,220	48,414
			<u>639,843</u>	<u>745,845</u>

The Traidcraft Exchange

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS *(Continued)* FOR THE YEAR ENDED 31 MARCH 2024

Support costs have been apportioned based on the number of full-time staff equivalents in each department.

Management and administration salaries include the salaries of staff working in Finance, HR, Public Relations and Communications and general management. It also includes recruitment, relocation, training and other staff costs.

Office services include rent, insurance and general office running expenses. Office machinery and consumables include depreciation and non-capital office furniture, fittings and equipment.

Financial services include bank charges, irrecoverable VAT and membership fees and subscriptions. PR & Comms is the cost of preparing communications for the charity and includes the cost of trips to visit projects to provide reports to our supporters.

9. Net expenditure for the year

Net income is stated after charging;

	2024	2023
	£	£
Amortisation	2,200	-
Depreciation	11,172	12,709
Operating lease costs	57,004	53,890
Unrealised exchange rate losses	55,924	15,560
Auditors remuneration	25,000	15,500
	<hr/>	<hr/>

10. Auditors remuneration

The auditors remuneration amounts to an audit fee of £25,000 (2023 - £15,500).

11. Financial performance of the charitable company

The Consolidated Statement of Financial Activities includes the results of the wholly owned subsidiaries.

The summary financial performance of the charity alone is;

	2024
	£
Income	3,244,781
Expenditure	(3,755,154)
Unrealised losses	(55,924)
Net (deficit) / surplus	<hr/> (566,297) <hr/>

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2024

12. Analysis of staff costs, Trustee remuneration and expenses, and the cost of key management personnel

The total staff costs and employees benefits were as follows:

	2024	2023
	£	£
Wages and salaries	1,053,790	1,015,691
Social security costs	86,714	70,011
Other pension costs	105,743	105,206
Overseas salaries and staff costs	793,273	801,044
	<u>2,039,520</u>	<u>1,991,952</u>

The average number of employees during the year was as follows:

	2024	2023
	Group	Group
Development programmes and Policy Unit	49	39
Fundraising	13	12
Management and administration	9	6
	<u>71</u>	<u>57</u>

The number of employees who received total employee benefits (excluding employer pension costs) of more than £60,000 is as follows:

	Number	Number
	2024	2023
In the band £60,001 - £70,000	1	1
In the band £70,001 - £80,000	1	1
In the band £90,001 - £100,000	1	1
	<u>3</u>	<u>3</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2024

12. Analysis of staff costs, Trustee remuneration and expenses, and the cost of key management personnel expenses (continued)

The Trustees were not paid or received any other benefits from employment in the year (2023 – £nil). No Trustee received payment for professional or other services supplied to the charity (2023 - £nil).

The key management personnel of the charity are identified on page 12. The total employee benefits of the key management personnel of the charity were £526,934 (2023 - £640,990).

13. Tangible fixed assets
Consolidated

	Fixtures, fittings and equipment £	Total £
Cost		
At 1 April 2023	142,990	142,990
Additions	6,596	6,596
Disposals	(8,134)	(8,134)
At 31 March 2024	141,452	141,452
Depreciation and impairment		
At 1 April 2023	128,247	128,247
Charge for the year	6,781	6,781
Disposals	(5,621)	(5,621)
At 31 March 2024	129,407	129,407
Net book value		
At 31 March 2024	12,045	12,045
At 31 March 2023	14,743	14,743

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
FOR THE YEAR ENDED 31 MARCH 2024

13. Tangible fixed assets *(continued)*
Charitable company

	Fixtures, fittings and equipment £	Total £
Cost		
At 1 April 2023	135,777	135,777
Additions	3,748	3,748
Disposals	(8,134)	(8,134)
At 31 March 2024	131,391	131,391
Depreciation and impairment		
At 1 April 2023	121,921	121,921
Charge for the year	4,889	4,889
Disposals	(5,621)	(5,621)
At 31 March 2024	121,189	121,189
Net book value		
At 31 March 2024	10,202	10,202
At 31 March 2023	13,856	13,856

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2024

14. Intangible assets

Consolidated & Company

	IT systems £	Total £
Cost		
At 1 April 2023	33,245	33,245
Additions	22,000	22,000
Disposals	(13,776)	(13,776)
At 31 March 2024	41,469	41,469
Amortisation		
At 1 April 2023	33,245	33,245
Charge for the year	2,200	2,200
Eliminated on disposal	(13,776)	(13,776)
At 31 March 2024	21,669	21,669
Net book value		
At 31 March 2024	19,800	19,800
At 31 March 2023	-	-

15. Investments

	Consolidated		Charitable Company	
	2024	2023	2024	2023
	£	£	£	£
Shares in subsidiary undertakings	-	-	1,000	1,000
	-	-	1,000	1,000

Traidcraft Services India Private Limited is incorporated in India and is limited by shares. The Corporate Identity Number is U74140DL2015PTC286042. Traidcraft Exchange holds 99% of the shares.

The investments include shares in Traidcraft plc which are not listed on any stock exchange and which were donated to Traidcraft Exchange by supporters. At 31 March 2024, the Traidcraft plc shares were not being traded so the trustees valued the shares at nil. Due to the illiquid nature of these shares the trustees believed it was appropriate to classify them as a fixed asset investment.

The Traidcraft Exchange
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2024

Company	Country	Percentage Shareholding	Description
Traidcraft Services India Private Limited	India	100%	Ordinary

The results and summary of assets and liabilities of the company are as follows:

	2024 £
Turnover	133,022
Cost of sales	(167,006)
Administrative expenses	(24,608)
Loss for the year	(58,592)
	2024 £
Total assets	43,170
Total liabilities	(18,563)
Shareholders' funds	24,607

16. Debtors

	Group 2024 £	Group 2023 £	Charitable 2024 £	Company 2023 £
Trade debtors	11,851	19,168	11,851	19,168
Amounts owed to subsidiary undertakings	-	-	-	30,316
Prepayments and accrued income	233,683	336,914	231,103	335,179
Other debtors	85,360	41,673	17,320	12,559
	330,894	397,755	260,274	397,222

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2024

17. Creditors: amounts falling due within one year

	Group 2024	Group 2023	Charitable 2024	Company 2023
	£	£	£	£
Trade creditors	44,573	57,937	44,573	57,937
Social Security and taxes	24,050	34,326	7,169	16,465
Accruals and deferred income	339,579	743,807	340,579	744,807
Other creditors	3,720	40,275	(13,606)	38,363
	<u>411,922</u>	<u>876,345</u>	<u>378,715</u>	<u>857,572</u>

Deferred income

	Group 2024	Group 2023	Charitable 2024	Company 2023
	£	£	£	£
Deferred income at 01 April 2023	815,674	852,708	815,674	852,708
Deferred during the year	135,283	601,531	135,283	601,531
Amounts released	(815,674)	(852,708)	(815,674)	(852,708)
Deferred income at 31 March 2024	<u>135,283</u>	<u>601,531</u>	<u>135,283</u>	<u>601,531</u>

Deferred income relates to funds received from Institutional donors that have not been spent at the year end. It will be spent on planned future project activities. The majority will be spent in 24/25. Income will be recognised as the monies are utilised, in line with the funding agreements.

18. Operating leases

The future minimum lease payments under non-cancellable operating leases are as follows;

	2024	2023
	£	£
Not later than one year	17,367	24,901
Later than one and not later than five years	15,587	15,805
	<u>32,954</u>	<u>40,706</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2024

19. Fund reconciliation

Year ended 31 March 2024

	Balance at 1 April 2023	Income	Expenditure	Transfers	Gains/ (losses)	Balance at 31 March 2024
Unrestricted funds						
General fund	384,742	1,930,894	(2,164,880)	129,454	(55,924)	224,286
Designated fund						
Organisation systems strengthening work	269,000	-	-	(199,000)	-	70,000
	<u>653,742</u>	<u>1,930,894</u>	<u>(2,164,880)</u>	<u>(69,546)</u>	<u>(55,924)</u>	<u>294,286</u>
Restricted funds						
JRCT land grab research Project	6,463	-	-	-	-	6,463
Khamatayan project	2,754	-	(827)	-	-	1,927
Hidden Homeworkers project	17,944	141,077	(136,988)	-	-	22,033
Tanzania - Disability project	-	22,223	(16,803)	-	-	5,420
Matrix Causes Fund	5,000	-	-	-	-	5,000
West Bengal Women Farmers	21,961	2,000	-	-	-	23,961
Juicing Justice project	500	-	-	-	-	500
OAK Foundation project (Pahariya Jharkhand project)	100,269	-	(132,009)	31,740	-	-
C&A Textiles	(2,051)	-	50	2,001	-	-
Supporting Tea Workers project (COVID-19 Response Fund)	(3,262)	-	-	3,262	-	-
Fighting forced labor- Muktee project	-	8,499	(10,272)	1,773	-	-
Oak - Tea Project	196,136	-	(181,135)	-	-	15,001
Laudes foundation	5,418	-	-	-	-	5,418
Laudes Garment Work	83,288	89,986	(54,398)	-	-	118,876
Empowering Women CSOs (WEE) project	5,000	692,842	(666,092)	-	-	31,750
UKAM- PPP project	-	224,994	(224,999)	5	-	-
Strengthening Farmers Association	-	214,482	(209,600)	-	-	4,882
Muktee II: Strengthening (Women CSOs)	17,493	10,000	(18,268)	-	-	9,225
Coffee, Cocoa & Palm oil (CCP)	(93)	10,273	(2,426)	-	-	7,754
Halcrow Foundation	3,739	-	(24,603)	20,864	-	-
Participatory Grant Making (PGM) Pilot	38,476	30,533	(78,910)	9,901	-	-
Total restricted funds	<u>499,035</u>	<u>1,446,909</u>	<u>(1,757,280)</u>	<u>69,546</u>	<u>-</u>	<u>258,210</u>
Total funds	<u>1,152,777</u>	<u>3,377,803</u>	<u>(3,922,160)</u>	<u>-</u>	<u>(55,924)</u>	<u>522,496</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2024

19. Fund reconciliation (Continued)

Year ended 31 March 2023 as restated

	Balance at 1 April 2022	Income	Expenditure	Transfers	Gains/ (losses)	Balance at 31 March 2023
Unrestricted funds						
General fund	1,446,991	1,541,693	(2,565,991)	(22,401)	(15,560)	384,742
Designated fund						
Portfolio work	269,000	-	-	-	-	269,000
	<u>1,715,991</u>	<u>1,541,693</u>	<u>(2,565,991)</u>	<u>(22,401)</u>	<u>(15,560)</u>	<u>653,742</u>
Restricted funds						
JRCT land grab research						
Project	8,678	-	(2,215)	-	-	6,463
Khamatayan project	2,754	-	-	-	-	2,754
Hidden Homeworkers project	2,944	220,261	(205,261)	-	-	17,944
Tanzania - Disability project	29,563	88,572	(118,135)	-	-	-
Catalyst fund	95,000	-	(95,000)	-	-	-
Participatory Approach Pilot of Women's Empowerment	65,512	5,000	-	(70,512)	-	-
Matrix Causes Fund	5,000	-	-	-	-	5,000
Sustainable Agriculture & Women Advancement (SAWA)	(50,875)	36,036	14,839	-	-	-
West Bengal Women Farmers	-	21,961	-	-	-	21,961
Juicing Justice project	-	10,800	(10,300)	-	-	500
OAK Foundation project (Pahariya Jharkhand project)	69,369	189,486	(158,586)	-	-	100,269
C&A Textiles	-	16,773	(18,824)	-	-	(2,051)
Supporting Tea Workers project (COVID-19 Response Fund)	3,271	-	(6,533)	-	-	(3,262)
Fighting forced labor-						
Muktee project	104,738	63,535	(122,446)	(45,827)	-	-
Oak - Tea Project	-	338,570	(142,434)	-	-	196,136
Laudes foundation	5,418	-	-	-	-	5,418
Laudes Garment Work	-	83,288	-	-	-	83,288
Empowering Women CSOs						
(WEE) project	-	590,038	(585,038)	-	-	5,000
UKAM- PPP project	-	238,356	(238,356)	-	-	-
Strengthening Farmers Association	-	-	(22,401)	22,401	-	-
Muktee II: Strengthening (Women CSOs)	-	-	(28,334)	45,827	-	17,493
Coffee, Cocoa & Palm oil (CCP)	(2,210)	9,416	(7,299)	-	-	(93)

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2024

Halcrow Foundation	13,719	-	(9,980)	-	-	3,739
Participatory Grant Making (PGM) Pilot	-	-	(32,036)	70,512	-	38,476
Total restricted funds	352,881	1,912,092	(1,788,339)	22,401	-	499,035
Total funds	2,068,872	3,453,785	(4,354,330)	-	(15,560)	1,152,777

South Asia Programme

‘MUKTEE: Fighting Forced Labour with Adivasi and Dalit Communities in South Asia’: Ref No. COOP-RS/D (2018) 6764770) is a four year project funded by the European Commission. It was planned in order to address the systemic and structural vulnerabilities of agricultural communities to forced, bonded, and child labour in two districts of Northern Bangladesh and four districts of Madhya Pradesh, India. It worked on multiple fronts, namely rescuing and rehabilitating communities from bonded labour conditions; preventing future bondage through skill development and employment opportunities; support enterprise through developing supply chains of agricultural commodities in the local areas; and strengthening policy interventions. 8,000 households and 20,000 children were to benefit directly from this project. The project received a no-cost extension until the end of June 2022 and currently work is being to complete the evaluation and final reporting. The total cost is €1,131,809.

Hidden Homeworkers – Improving Transparency and Traceability to Improve Working Conditions of Homeworkers in Apparel and Footwear Chains: Ref No EuropeAid/157515/dh/act/Multi is a project that started in April 2019. The objective is to improve the working conditions of informal and home based workers in Nepal, Pakistan and India, who work in global value chains in the apparel and footwear sectors. It is expected to impact the lives of 20,000 home based workers in this country through improved working conditions, access to social entitlements and policy change at the national level. The project is progressing well, though has to undergo some changes due to the impact of covid on home workers. A no-cost extension is now proposed and the details are being worked out. The total cost is €1,308,922.

Bangladesh

‘Khamatayan’ (Empowering smallholders to strengthen local democratic governance) is being implemented in Bangladesh in partnership with Christian Aid and Solidarites and funded by the European Commission. The objective is to strengthen the governance, accountability and sustainability of smallholder civil society organisations in Bangladesh, covering 24 district and sub district associations, and 788 village level Self help Groups (SHGs). The project planned to empower these organisations, representing 20,000 marginal farmers (50% women, 10% ethnic minorities, 5% disabled people) to proactively engage with Local Authorities in the five target districts of Gaibandha, Kurigram, Mymensingh, Sherpur and Satkhira. The total cost of this 42 month project is €1,653,149.

Empowering women's CSOs to ensure good governance (WEE): Ref No EuropeAid/168903/DD/ACT/BD is a 42 month project starting February 2021 and will impact the lives of 15,000 women in 5 districts of Bangladesh, in partnership with Ulashi Sreejony Sangha (USS) and Bikash Bangladesh. The project will build capacity of women's grassroot organisations to advance gender equality and empowerment and enable their participation in local governance. It will support women to access social and economic rights; and strengthen women's collective voice through their own organisations. The total cost is €2,592,595.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2024

Shifting the power to grassroots' communities through strengthening farmer-led CSOs and improving their engagement in the sustainable development process (SWABOL).

The project started in April 2023 through a Traidcraft Exchange led consortium of six NGOs in 33 disadvantaged upazilas (sub-districts) of 13 districts across Bangladesh. The work focuses on enhancing human and social capital and strengthening Smallholder Farmer-led Civil Society Organizations (FSFCSOs) as independent institutions and actors of good governance to promote inclusive and sustainable development. The project targets 46 FSFCSOs and 1,580 Local Farmer Organizations along with 50,000 participants (50% women, 7% ethnic minorities and 5% persons with disabilities). Registration of these FSFCSOs is under process which will ensure legal entity and contribute to their sustainability in the long run.

India

Addressing vulnerabilities among the Pahariya community through market led Interventions: Ref No OFIL 19 003 is a 4 year project aims to "reduce vulnerability and improve sustainable livelihoods and food sovereignty among 3000 Pahariya households, particularly women, in two blocks of Jharkhand". The 90 villages targeted are comprised of extremely vulnerable Pahariya tribal households alone. This is sought to be achieved by organising and enabling communities to adopt sustainable and productive resource (forest, land and water) management regimes, empowering communities to access their entitlements and engage with the market with a view to sustainably enhance livelihood, income base and nutritional status. The total cost of the project is £631,172 and is funded by the Oak Foundation.

Addressing Socio-Economic Vulnerabilities of Tea Workers in West Bengal and Assam – Building Voices and Creating Choices: The goal of this 3-year project is to reduce socio economic vulnerability, improve livelihoods and resilience of 9,000 Tea worker communities in 5 districts of North Bengal and Assam. The work will be undertaken across 35 gardens of which 25 gardens in North Bengal and 10 gardens in Assam. The project will facilitate building of community voices and create opportunities and choices for tea worker households. The primary focus will be to improve livelihoods and safety nets through a participatory process of assessing needs, resources, skills and opportunities leading to diversification and improvement in incomes. Secondly, collectivisation of women and youth in the gardens and enhancing their knowledge, skills and sense of agency will improve their negotiation and dialogue capacities with officials within and outside the gardens enabling them to access entitlements from the Government. The project will also establish a model of climate adaptive practices through establishing small scale innovations. The total cost of the project is £972,572 and is funded by the Oak Foundation.

Climate resilient sustainable livelihoods for female small holder farmers, (Birbhum, West Bengal): Ref: HF185 is a project in India funded by the Halcrow Foundation. The project aims to organize vulnerable women farmers, improve food security and increase household incomes through livelihood diversification, enhanced water use efficiency, and building resilience through social security safety nets for 2,500 vulnerable families. The project is now in year 2. There are 80 Women Livelihood Committees formed now and work is on to build capacity around governance, micro savings, and resource mapping. Linkages have been built with various government departments to access extension services for a variety of crops as well starting nurseries to benefit other families. The cost of the project is £99,948.

East Africa Programme

Senegal

In 2016/17, 'Juicing Justice project for Farmers', started in Senegal, has worked in partnership with two small Senegalese enterprises called Zena and BDS.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2024

The project, funded by Comic Relief (Grant ID 1324191 – total cost £625,489), has worked with 2,200 forest fruit farmers to acquire environmentally sustainable forest fruit harvesting knowledge and skills, increase their income from sales of exotic forest fruits and improve their livelihoods. It also aims to strengthen the capacity of the two small businesses to trade with the farmers in ethical practices that ensure equitable sharing of risks and benefits as well as develop their capacity to access European markets with innovative juice brands. The project has now ended.

Kenya

Participatory Grant Making (PGM) Pilot: The PGM pilot was launched during the current financial year in partnership with the Kenya Community Development Foundation (KCDF). Through the partnership, we supported six community-based organizations (CBOs) in small scale agriculture, in Meru and Kitui counties of Kenya across three value chains, that is, poultry farming, onion farming and bee keeping, monitored their progress, addressed challenges and disbursed funds to them. Through the pilot, the capacity of the CBOs was enhanced through training, provision of extension services in partnership with government officers and cross-learning through exchange visits to experienced farmers. We plan to continue to maintain the integrity of established structures and adopting a facilitative approach that empowers CBO leadership to make key decisions, we enhanced collaboration, building on our strong track record with local partners and made progress towards project sustainability.

Tanzania

'Promoting the Inclusion of People with Disabilities in Cocoa, Coffee and Palm Oil Value Chains'. This project is being implemented by Traidcraft Exchange in Tanzania. It is funded by The National Lottery Community Fund (project ID: 10328877). The project seeks to reduce household poverty and empower 1,000 people with disabilities and 500 smallholder farmers and/or micro entrepreneurs, engaged in the coffee, cocoa and sustainable palm oil in Mbeya Region of Tanzania and Dar es Salaam. The project seeks inclusion of disabled people in all aspects of the value chains through collective organisation, improved access to finance and business services, improved market access and changes in behaviour and practice towards disabled people. The budget for this project is £682,418.

Policy and Campaigning Programme

JRCT

Our policy and campaigning work on corporate accountability has been partially supported by the Joseph Rowntree Charitable Trust. In the last year, we continued to call on the government to legislate to hold companies to account for violating human rights through a Business Human Rights and Environment Act (BHREA). A key aspect of this was a submission (written jointly with the Corporate Justice Coalition) and extensive follow-up advocacy to the Law Commission's Corporate Criminal Liability enquiry, around elements which we believe should be included in a new law. Our request that legislation should cover the failure to prevent human rights abuses was included in the Law Commission's options paper in June 2022. In addition, we launched a public campaign in favour of BHREA in December 2021 which received 24,622 signatures.

Laudes Foundation

Our policy and advocacy work on textiles in the EU has been supported by Laudes Foundation. In the last year, we have taken forward advocacy on Unfair Trading Practices (UTPs) in the garment sector in the EU, including: holding regular meetings with the European Commission and Members of the European Parliament around the EU's textile strategy, commissioning research on fair and unfair trading practices, and holding parliamentary events to highlight the impact of garment retailers' purchasing practices on working conditions, job security and pay for workers.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2024

20. Analysis of net assets between funds

Year ended 31 March 2024

	Unrestricted Funds £	Restricted Funds £	Total 2024 £	Total 2023 £
Tangible assets	12,045	-	12,045	14,743
Intangible assets	19,800	-	19,800	-
Current assets	539,079	393,493	932,572	2,014,379
Creditors amounts due within one year	(276,638)	(135,283)	(411,921)	(876,345)
	<u>294,286</u>	<u>258,210</u>	<u>552,496</u>	<u>1,152,777</u>

Year ended 31 March 2023

	Unrestricted Funds £	Restricted Funds £	Total 2023 £	Total 2022 £
Tangible assets	14,473	-	14,473	16,293
Intangible assets	-	-	-	4,342
Current assets	913,813	1,100,566	2,014,379	3,136,667
Creditors amounts due within one year	(274,814)	(601,531)	(876,345)	(1,088,430)
	<u>653,742</u>	<u>499,035</u>	<u>1,152,777</u>	<u>2,068,872</u>

21. Related Party Transactions

During the year the Charity had transactions with the following related parties:

The Traidcraft Foundation – the controlling party of the company as detailed below.

Traidcraft plc – a company with several trustees in common and in which the Traidcraft Foundation controls a protective Guardian Share.

Trustees – the trustees donated £nil (2023 - £nil) during the year.

	2024 £	2023 £
Traidcraft plc		
Purchase of goods and services (e.g. rent and building costs)	-	15,832
Sale of services	-	30,850

22. Controlling Party

The charity is under the control of the Traidcraft Foundation (charity number 294953), a registered charity with the same place of business, being the founder member and having, in general meetings, the number of votes that exceeds by one the number of all other votes cast.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2024

23. Pension Commitments

The group operates a defined benefit pension scheme.

Until 31 March 2001 Traidcraft operated a defined benefit funded pension scheme covering the pension arrangements of employees of Traidcraft plc and Traidcraft Exchange, providing a pension linked to final salary. This scheme is now closed but not wound-up and Traidcraft plc and Traidcraft Exchange continued to make contributions to it, working with the scheme trustees to agree appropriate contribution levels. Traidcraft plc has been the principal employer within the combined Traidcraft defined benefit pension scheme and Traidcraft Exchange is the participating employer.

In January 2023 Traidcraft plc entered into administration. The scheme actuary has split the assets and liabilities of the original scheme into a Traidcraft plc scheme and a Traidcraft Exchange scheme. Traidcraft Exchange is solely responsible for the Traidcraft Exchange part of scheme and is responsible for meeting the ongoing costs of the Traidcraft Exchange scheme.

The triennial actuarial valuation prepared as at 1 September 2019 indicated that the scheme was in technical surplus.

The charity expects to contribute £nil to the defined benefit pension plan in the year to 31 March 2024. It should be noted that the surplus calculated in the triennial valuation and the surplus or deficit calculated under FRS102 differ as the two methods require different assumptions to be used.

Effective January 2025 Traidcraft Exchange assumed principal employer for the defined benefit pension scheme. The insolvency of Traidcraft plc was scheduled to end by 31st Jan 2025. As at start of Jan 2025, the portion of the pension scheme relating to Traidcraft plc had not yet been transferred to the Pension Protection Fund (PPF). Given the Traidcraft Plc portion of the scheme was still under PPF review, it would not be wound up when the insolvency of Traidcraft Plc was finalized. However, the Traidcraft Exchange portion of the pension scheme ran the risk of being wound up as it did not enjoy similar exemption. To avoid triggering the winding up of the scheme and consequent Section 75 debt being served on Traidcraft Exchange, the Trustees passed a resolution on 17th January 2025 for Traidcraft Exchange to cease to be participating employer and instead take on the principal employer role in the pension scheme.

The Financial Reporting Standard 102 Section 28 requires that the following further disclosure is made about the closed defined benefit pension scheme. The actuarial valuation has been updated by the qualified scheme actuary to 31 March 2024.

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2024

	At 31 March 2024	At 31 March 2023	At 31 March 2022
	%	%	%
Discount rate	4.7	4.6	2.6
Expected rate of inflation (CPI)	3.05	2.75	3.15
Rate of increase of pensions accrued post 5 April 1997	2.9	2.75	3.15
Rate of revaluation of deferred pensions	3.05	2.75	3.15

	At 31 March 2024	At 31 March 2023	At 31 March 2022
Mortality rates (in years)			
For a male aged 65 now	21.3	22.1	21.3
At 65 for a male aged 45 now	22.6	23.5	22.3
For a female aged 65 now	23.7	24.5	23.2
At 65 for a female aged 45 now	25.2	26	24.4

The group's share of the assets in the scheme was:

	At 31 March 2024	At 31 March 2023
	£	£
Equities	253,000	233,000
Property	76,000	-
Gilts	398,000	319,000
Bonds	721,000	858,000
Cash	52,000	33,000
Other	-	-
Total fair value of assets	1,500,000	1,443,000

The actual return on scheme assets was £.32,000 (2023: 202,000).

The amounts recognised in the Consolidated statement of financial activities are as follows:

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2024

	At 31 March 2024 £	At 31 March 2023 £
Opening defined benefit obligation	1,382,000	1,651,000
Interest cost	63,000	42,000
Benefits paid	(42,000)	(66,000)
Actuarial gain/(losses)	60,000	(245,000)
Closing defined benefit obligation	1,463,000	1,382,000

Reconciliation of fair value of plan assets were as follows:

	£	£
Opening fair value of scheme assets	1,443,000	1,711,000
Interest income	65,000	44,000
Return on plan assets excluding interest	(33,000)	(246,000)
Benefits paid	(42,000)	(66,000)
Other income/(expenses)	67,000	-
	1,500,000	1,443,000

Amounts included in the balance sheet arising from the charity's obligation in respect of defined benefit plans:

	At 31 March 2024 £	At 31 March 2023 £
Present value of defined benefit obligations	(1,463,000)	(1,382,000)
Fair value of plan assets	1,500,000	1,443,000
Restriction of scheme asset	(37,000)	(61,000)
Deficit in the scheme	-	-

In the year ended 31 March 2024 the actuarial valuation for accounting purposes showed a surplus of assets over liabilities at that date of £37,000 (2023: £61,000). In accordance with FRS102 a pension scheme asset is recognised on the balance sheet only to the extent that the surplus may be recovered by reduced future contributions or to the extent that pension scheme trustees have agreed a refund from the scheme at the balance sheet date. Neither condition was met at the balance sheet date and therefore the surplus was not recognised.

Defined contribution scheme:

At 31 March 2001 Traidcraft closed entry to the defined benefit scheme and closed accrual of future benefit within that scheme. On 1 April 2001 Traidcraft introduced a Group Personal Pension Scheme (a type of defined contribution scheme) which now has an employer's contribution rate of 7.5% (2023: 7.5%). Traidcraft Exchange made contributions of £.105,743 during the past year (2023: £.70,011) and this cost, together with administration charges of £.Nil (2023: Nil) relating to the closed scheme comprise the pension cost of £.105,743 (2023: £.70,011) shown in Note 10 to these accounts.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2024

24. Reconciliation of net income to net cash flow from operating activities

	2024 £	2023 £
Net deficit for the year	(544,357)	(900,535)
Depreciation on tangible assets	1,605	17,051
Loss on disposal of fixed assets	(2,707)	-
Interest received	(15,058)	(2,738)
Prior year non cash adjustment	(16,000)	(230,143)
Decrease in debtors	66,861	13,369
(Decrease)/Increase in creditors	(464,424)	2,058
Net cash flow from operating activities	<u>(974,079)</u>	<u>(1,100,938)</u>