

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 2025

The Traidcraft Exchange

(A Company Limited by Guarantee)

CONTENTS

	Page
Trustees' Report including the Strategic Report	1 - 13
Independent Auditors' Report	14 - 17
Consolidated Statement of Financial Activities	18
Consolidated Balance Sheet	19
Charitable Company Balance Sheet	20
Consolidated Cash Flow Statement	21
Notes to the Financial Statements	22 - 46

The Traidcraft Exchange

(A Company Limited by Guarantee)

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2025

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 2025.

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.

The Traidcraft Exchange

(A Company Limited by Guarantee)

TRUSTEES' REPORT *(Continued)*

FOR THE YEAR ENDED 31 MARCH 2025

Achievements and performance

The year 24/25 started with the development of a new strategic direction that will take Transform Trade to 2030 and beyond. It ended just a few weeks before the announcement of our newly appointed Chief Executive Officer, Alice Oyaro in April 2025. In a time of positive transition for the organisation, it was a year of ending some work well and starting new work that demonstrates the new direction we are headed in – namely becoming a powerful force of producer-centered trade justice.

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.

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.

The highlights of our work are detailed below:

Small Scale Agriculture

Pushing for gender equality in business - Bangladesh

Our main activities under the EU-funded Women's Economic Empowerment (WEE) project came to an end in January 2025. The WEE project was implemented in the five low-income districts across Bangladesh and worked with 15,000 marginalised rural women – with an impact on 65,000 people when you factor in family members.

A 'Women-led Social Business Model' proved successful – with many women-owned community stores set up and functioning well. These community stores (SADAIPATI) contributed to enhancing income which ultimately empowered the women. The team also worked with government officials and community leaders, raising issues of equality through various project events, supported various women led interventions.

14 community-based women led associations were formed, following a democratic process, playing vital roles in empowering women, promoting gender equality, ensuring governance, protecting environment at community level. Overall, it was a powerful and wide-reaching project, brought to a successful conclusion thanks to the hard work of the women involved, the support of their communities plus our partners and team.

Shifting power to grassroots' communities through strengthening farmer-led CSOs - Bangladesh

We've led a consortium of 6 NGOs in implementing a project targeting 50,000 marginalized participants from 33 upazilalas (sub-districts) of 13 districts across Bangladesh. The project has supported 46 federated farmers' associations (FSFCSOs) to strengthen their capacities to advocate for good governance, promote gender equality and stand up for inclusive and sustainable development interventions.

One of the project outcomes is to register these FSFCSOs with relevant government agencies. So far, 14 have already been registered. The project is providing grants to these FSFCSOs for business planning and sustainability.

As part of the process, second tranche financial support was disbursed to 14 FSFCSOs for their physical establishment. Alongside this, 33 workshops on 'Advocacy to government' specifically to encourage FSFCSO representation in the planning and implementation of agriculture policies' were conducted with relevant stakeholders.

The Traidcraft Exchange

(A Company Limited by Guarantee)

TRUSTEES' REPORT *(Continued)*

FOR THE YEAR ENDED 31 MARCH 2025

Setting up a Farmer Producer Company – Jharkhand, India.

Building on the achievements of our work with the Pahadiya community in India, this year we supported Pahadiya Women Collectives with the establishment of a Farmer Producer Company (FPC) with a shareholder base of about 1400 women.

The women members improved crop production and are working towards a restored food system with high food security. During the year crops such as cowpea, rice bean, maize, and sorghum were marketed, generating revenue of approximately GBP 17,000. A total of 18 metric tonnes of crops were traded. For farmers, that meant securing a 15-20% increase in the price of their crops.

We also helped to set up the Pahadiya Leadership Council (PLC) to support the Pahadiya communities' overall wellbeing and advocating for their rights and access entitlements. The council is designed in lines to work in participatory ways, ensuring greater control, autonomy and guidance of the PLC, in the overall delivery of the project and building ownership post the completion of the project. This work is funded with the help of Oak Foundation.

Enhancing sustainable cocoa production, processing and marketing in Kyela District, Tanzania:

Transform Trade is enhancing sustainable cocoa production, processing, and marketing in the Kyela district of the Mbeya region in Tanzania. The project worked with 1,741 farmers organised into 35 economic groups.

The initiative supported the Mababu Cocoa business enterprise in improving sustainable production and value addition, securing premium prices, and strengthening market access. Key interventions included the legal registration of farmer groups, strengthening governance, promoting financial literacy, providing entrepreneurship training, and encouraging the adoption of good agronomic practices.

Transform Trade has also facilitated the establishment of cocoa seedling nurseries, provided training in value addition, including fermentation, branding, and packaging, and supported collective marketing through business events and radio advertising.

Additional measures involve linking farmers with value chain actors, input suppliers, processors, and buyers, while providing equipment like solar dryers, processing machines, and quality control tools, alongside storage facility upgrades and access to interest-free loans. The promotion of Village Savings and Loan Associations (VSLAs) and continuous enterprise mentoring further ensure the long-term sustainability and competitiveness of Kyela's cocoa sector.

Reducing poverty and increasing climate resilience for coastal communities in Tanzania:

Ending in March 2025, this work engaged 2,548 participants in Tanzania to adopt climate-resilient practices and market-driven approaches in honey, sunflower, fruit tree, poultry, and vegetable value chains. An independent consultant conducted the project evaluation, and the findings reveal that the project performed strongly overall, achieving an average performance score of 4.5 out of 5 (81.4%), as per the FCDO rating.

It was highly effective in strengthening natural resource management, enhancing productivity, promoting climate-smart technologies, and improving awareness and adoption of adaptation strategies.

Notable successes included the restoration of 30 hectares of degraded land, 100% participation of producer organisations in local, national, and regional trade fairs, and full engagement of district councils in climate adaptation planning processes. Over 90% of participating farmers increased their income as part of this project.

The Traidcraft Exchange

(A Company Limited by Guarantee)

TRUSTEES' REPORT *(Continued)*

FOR THE YEAR ENDED 31 MARCH 2025

Supporting producers in Tanzania's Cashew nut value chain

We worked with Tanzania Delicious Cashew (TDC), a producer-run social enterprise, in developing its business model and a five-year strategic plan in partnership with the European buyer KOROSHO GB.

The business model defines the organisation's mission and vision, fundraising approach, sustainable production strategy, value addition strategy, and identification of premium markets.

As part of the fundraising efforts, three proposals were developed and submitted to various donors, resulting in commitments from two donors to support initiatives in sustainable production, value addition, and policy advocacy for system change. Implementation of the strategic plan commenced in the current financial year. This initiative is planned to support 6,400 cashew nut farmers who are TDC members.

Agriculture and trade policy

Building our work on deforestation has been the main focus for this year. This has involved deepening our understanding of the issues, particularly the implications for smallholder farmers. We have increased our networks with civil society in the UK and the African region, as well as with UK businesses and academics working in this area. We are excited to have agreed a partnership with our long-term allies the Southern and Eastern Africa Trade Information and Negotiations Institute (SEATINI), based in Uganda. The focus for this work will be to ensure that new deforestation legislation, which will be vital in the fight against climate change and biodiversity loss, does not undermine smallholder livelihoods.

We have continued our work on seed sovereignty, working in close partnership with CAFOD. We launched a report that sets out the issues with seed patenting laws, in particular the barriers they put up for small farmers, including increased costs and difficulties with saving seeds for future harvests. A number of MPs put down written parliamentary questions on the issue. We have had meetings with the Department for the Environment, Food and Rural Affairs (Defra) and the Foreign, Commonwealth and Development Office (FCDO). A significant success was that the UK did not include UPOV91 in its new trade agreement with India.

We have continued to build momentum with other civil society organisations to support a single regulator for the agriculture sector, rather than the proposal for multiple sectoral codes. This led to an inquiry by the Environment, Food and Rural Affairs parliamentary committee on fairness in the food supply chain and a Westminster Hall Debate in which Transform Trade was mentioned. This could help to strengthen the Grocery Code Adjudicator.

Garments

Mapping producer context in Bangladesh

In 24/25 we started the process of mapping the producer environment in Bangladesh's garment sector - assessing their benefits, pay, environmental impact practices and safety of the workplace in alignment with legal frameworks and standards. Work was done to connect with relevant networks and forums and this is still ongoing. Ultimately, this puts us in a stronger position to grow our work in this area moving forwards.

Calling for a Fashion Watchdog

The Traidcraft Exchange

(A Company Limited by Guarantee)

TRUSTEES' REPORT *(Continued)*

FOR THE YEAR ENDED 31 MARCH 2025

Our garments work continued to build over the year. Work is nearly complete on the research to map the impact of UK company purchasing practices on Indian manufacturers. We co-organised a roundtable in parliament, bringing fashion brands together to meet with key members of Labour's shadow cabinet team. We have continued to influence the Director for Labour Market Enforcement, whose backing will be important to securing the Fashion Watchdog. We have convened regular meetings of a 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. The General Election meant that we had to refresh the MP pledge and increase outreach, particularly to new MPs.

Tea portfolio

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

This work aims to reduce socio economic vulnerability and to improve the livelihoods and resilience of 9,000 tea worker communities in five districts of North Bengal and Assam. During the year, significant progress was made in empowering tea worker communities through livelihood diversification, skill development, climate-resilient agricultural practices, and strengthening of community-based institutions.

Additionally, a pilot study on climate resilience was undertaken in collaboration with a tea garden. The initiative focuses on converting tea waste into high-quality compost using an innovative, eco-friendly technology. This approach not only addresses the issue of organic waste management but also aims to establish a replicable model for climate-resilient and circular agricultural practices in other tea gardens. The technology offers dual benefits: improving soil health and reducing greenhouse gas emissions, thus aligning with broader climate mitigation goals. As part of the climate resilience efforts within Tea gardens, pilots on water conservation and conversion of barren lands with horticulture species is underway.

The project is also working with over 500 Small Tea Growers across two clusters in Assam. During the year, efforts have been made to build capacities of the small tea growers on regenerative agriculture practices.

Partnering with producers for a fairer tea sector in Kenya

In Kenya, we've been working to strengthen the Nyeri Chai Farmers Association to enhance its capacity for advocacy and representation of farmers. We engaged 3,732 farmer members working across five tea factories in Nyeri County. Key activities included training directors, zone coordinators, and farmer leaders on advocacy, leadership, financial management, governance, and diversification of tea production for alternative incomes. Gender champion groups were also established and trained to address harassment and discrimination in the sector. Additionally, farmer leaders were supported in engaging with policymakers, market actors (including brokers, auctions, and East African Tea Trade Association-EATTA), and factory management, as well as in connecting with media platforms to amplify their voices.

Championing producer voice in Tanzania

In Tanzania, a two-day forum was convened with the Tea Board of Tanzania, the Tanzania Smallholders Tea Development Agency, and leaders from 24 farmer cooperatives representing over 32,000 farmers. The forum facilitated direct dialogue between farmers and government institutions, highlighting issues of transparency and information sharing.

The Traidcraft Exchange

(A Company Limited by Guarantee)

TRUSTEES' REPORT *(Continued)*

FOR THE YEAR ENDED 31 MARCH 2025

The meeting concluded with a jointly developed action plan to address these challenges, with follow-up on its implementation scheduled for 25/26. Additionally, Transform Trade met and discussed key issues with policymakers, market actors in Tanzania, such as tea brokers, auctions, and Tanzania Mercantile Exchange PLC (TMX).

Local Value addition and technical support for tea growers in Tanzania

Transform Trade continues to collaborate with Kazi Yetu, a Tanzanian agribusiness social enterprise, by providing technical support to enhance the production, quality, and market reach of speciality teas. This partnership focuses on strengthening local value addition, creating employment opportunities, and improving the livelihoods of women and smallholder farmers.

Together, we have supported the sustainable blending and packaging of teas, spices, and herbs in a women-run factory in Dar es Salaam, with a strong emphasis on decent work opportunities and improved working conditions for young women. In addition, our joint fundraising efforts have resulted in two donor proposals aimed at supporting 1,200 farmers in the SAKARE cooperative, a Kazi Yetu partner, to strengthen environmental trade practices and advance women's rights across the value chain.

Ideation of the African Tea Fund for Smallholder Tea Farmers

As part of a shift to locally led development, the concept of establishing an African Tea Fund was developed and agreed upon as a mechanism to sustain support for smallholders and sector transformation. A roadmap was outlined, including consultative meetings with producer groups to capture their perspectives, the development of fund guidelines and governance structures, and the design of a fundraising strategy.

Key achievements to date include the successful formulation of fund guidelines and governance, alongside interviews with critical stakeholders ranging from government bodies to organisations managing operational funds for smallholders, who apply a Participatory Grant Making (PGM) approach.

Looking ahead, the next financial year will focus on conducting consultative meetings with tea producer groups and initiating fundraising activities aligned with producers' priorities.

Broader Policy and Advocacy work

Transform Trade's policy and campaigning work tackles systemic issues that affect poor and vulnerable people in international trade, and holds 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. A significant win this year was the government's commitment to publish a trade strategy, which was published in June 2025.

The General Election and the first Labour government for 14 years meant significant disruption to policy work in the UK. There were a large number of government and parliamentary consultations and inquiries, as well as new relationships to build. Minister Douglas Alexander convened two roundtable events, attended by the Head of Policy and Advocacy. Policy Unit also participated as advisers or speakers at Chatham House's UK In the World programme, the Cambridge Economic Crime Symposium and a workshop on green trade convened by the University of Yale. Policy Unit staff are now also members of the UK government's 'rest of the world' Domestic Advisory Group, which scrutinizes the sustainability provisions of all trade agreements except the UK-EU Trade and Cooperation Agreement.

The Traidcraft Exchange

(A Company Limited by Guarantee)

TRUSTEES' REPORT *(Continued)*

FOR THE YEAR ENDED 31 MARCH 2025

We continue to support the Corporate Justice Coalition in their work towards a UK Business, Human Rights and Environment Act.

Traidcraft Services India Private Limited (TSIPL)

During the year, the company has continued demonstrating its strong and robust business performance undertaking 12 assignments with 9 clients in the year and overall generating a surplus higher than the previous year. The year highlights the continued commitment of TSIPL towards ethical supply chains, particularly women producers and workers engaged in garment and cotton sector. During the year, we supported our clients to assess the dangers experienced by women in the supply chains and build capacities of factory management, owners and supporting staff through Decent work capacity building programs and Gender Data Initiative (GDI). We also undertook studies that highlighted the vulnerabilities of women producers within the cotton and textile supply chains. The study helped our client to reposition and launch initiatives towards addressing the same through their field-based programmes.

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 £1.5m through Public Fundraising and Legacies in 24/25. That's in line with our targets and matches our 23/24 performance. In a year where many charities reported a downturn on this kind of income, we're pleased with this result.

It's notable too that the year ended with the announced cut to the UK Aid budget – this is just one of several moves that show a changing landscape. Our strong income from public fundraising and legacies gives a good platform to seek new partnerships and new sources of funding to grow our impact.

Highlights

As usual, a positive performance from our biggest income lines was a key contributor to the overall fundraising success. We raised more than £300K through our fundraising appeals, more than £400K through regular giving and over £200K income came in through legacies. These three income streams contribute to more than two thirds of our overall total and the strong performance is pleasing to see.

Another key highlight was the growth of a relatively new income line, Traidcraft Christmas Cards. In our second season, we sold more than £95K worth of Christmas cards. That represents a 33% increase year on year. The real success here is that with the Traidcraft brand, and a growing online store, we have a strong platform for future growth. It's notable too that through selling products we can also grow our supporter mailing lists and boost other income lines. It's a strong branding win too that Transform Trade messaging was on hundreds of thousands of mantelpieces for Christmas 2024.

Our Big Brew coffee mornings held strong in their raising performance with a slight growth year on year and a great moment for us as a charity seeing hundreds of groups gather in late February to raise money for our cause.

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 approximately £100K to our fundraising targets and continues to be a source of strength for us.

The Traidcraft Exchange

(A Company Limited by Guarantee)

TRUSTEES' REPORT *(Continued)* **FOR THE YEAR ENDED 31 MARCH 2025**

Challenges

We knew last year that our success in raising more than £100K in Gifts from Fair Trade Shops and Stalls was not repeatable and this proved true with that income falling to the £30K mark. Fortunately, growth in other lines helped to account for this drop and leave us in a healthy position.

Beyond that certain income lines such as charity gift cards fell below targets and are in need of refreshing and rebooting. Other smaller income lines like our raffle also need review after a disappointing year.

Going forward our emphasis is on improved supporter recruitment, growing our regular giving and innovating in the smaller fundraising lines to improve our performance. We're excited for the opportunity to grow income from the Traidcraft brand and for new fundraising initiatives planned for the future.

Grants from institutional sources:

We received £16,100 in unrestricted grants from 10 trusts and foundations. We received £309,335 in restricted grants. In this case we're talking specifically about those grants which were not secured prior to the start of FY24-25) from 13 trusts and foundations.

Overall grants from institutional sources are a target growth area for us moving forward and work has begun to create a roadmap for future funding success as we look to the future.

Financial review

Against the backdrop of Traidcraft Plc's collapse in FY22/23 and the significant financial and operational challenges that followed, Traidcraft Exchange has continued to make steady progress, showing clear resilience and recovery.

Traidcraft Exchange has had a strong year posting a markedly comparatively lower overall net deficit of £.31,772 (2023/24: deficit of £.544,357; 2022/23: deficit of £.900,535) before exchange gains & losses. This performance was backed by a sustained overall steady income level of £.3.4M and decrease in overall expenditure arising from projects closed out at the end of prior year and within the current year.

This strong performance has rightly positioned the organization toward meeting its target of breaking even in FY25/26 and beyond.

Performance against budget targets:

Traidcraft Exchange's board approved a budget with a modest surplus for FY 2024/25 against total reserves brought forward of £.552,496 from FY2023/24.

Through concerted efforts in fundraising in FY24/25, we raised £.3.475M against budget of £.3.497M, overall meeting our target (trivial shortfall of 1%). Additionally, through cost cutting measures, we operated on a leaner cost base that saw us expend above our budget by only a marginal 2% (£.3.506M against budget of £.3.448M).

Performance compared to previous years:

Total income for the charity increased by 3% from £3.38M in 23/24 to £3.47M in 24/25. The overall increase in income was largely driven by increase in income from charitable activities (i.e., new grants awarded) which more than compensated the decrease in income from donations & legacies (such as decline in income from gifts from Fair Trade shops & stalls, charity gift cards, raffles etc.). Total expenditure decreased by 11% from £3.92M in 23/24 to £3.51M in 24/25 due to statutory grants that closed at the end of prior year and those that closed out during the year.

The Traidcraft Exchange

(A Company Limited by Guarantee)

TRUSTEES' REPORT *(Continued)*

FOR THE YEAR ENDED 31 MARCH 2025

Overall, the charity has recorded 90% improvement in net position after exchange gains & losses i.e., from an overall net deficit of £600,281 in 23/24 to £56,914 in 24/25. This has enabled the charity to conserve its reserves more in FY24/25 (10% decrease in fund balance from £552K to £496K) compared to FY 23/24 (52% decrease in fund balance from £1.152M to £552K).

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.
- Operating controls: ensuring each department has financial controls and procedures appropriate to its work.
- Budgetary control and financial reporting: preparing departmental budgets for management review and Board approval, and monitoring performance through quarterly Board meetings with regular management accounts.

Traidcraft Exchange continues to operate in a challenging funding context. Key financial risks relate to the unpredictability of certain income streams, such as legacies and public appeals, and the potential for reduced institutional funding as some statutory donors reduce aid.

In response, we are actively exploring new and more flexible sources of income and have initiated a funding review to strengthen and diversify our fundraising strategy. This work aims to improve resilience and support the long-term sustainability of Traidcraft Exchange's mission.

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. With the charity's steady and resilient performance over the recent financial years including the much closer to break-even point performance of FY24-25, we have initiated a review of the charity's reserves policy with the aim of establishing a target minimum reserves level.

The organization has reported increasingly lower net deficits over the past three financial years (FY 22/23: £.916,095; FY 23/24: £.600,281; FY24/25: £.56,914) with the current year recording the lowest net deficit and consequently edging the organization much closer to its break-even point.

The trustees are encouraged by the significant reduction in the impact of deficits on the overall organizational total reserves and particularly on unrestricted reserves whose closing position in FY24/25 recorded a reduction of only 23% vis a vis FY 23/24 where the unrestricted reserves' closing position recorded a reduction of 52%. In light of this trend, the trustees therefore project a more positive outlook that would see unrestricted reserves start to record increases in closing position year on year.

Going concern

The trustees have a reasonable expectation that Traidcraft Exchange has adequate resources to continue in operational existence for the foreseeable future.

With the strong performance in FY24-25, the charity is looking to FY25-26 with optimism of breaking even. Similarly, to FY24-25, for FY25-26, the board of Traidcraft Exchange once again approved a surplus (unrestricted surplus) budget. Post year end 24/25, the charity has continued to maintain strong support from its network of mid and high level institutional donors and individual supporters and has initiated a review of its fundraising strategy that is set to yield a refreshed fundraising approach towards attracting new & more flexible funding.

The Traidcraft Exchange

(A Company Limited by Guarantee)

TRUSTEES' REPORT *(Continued)*

FOR THE YEAR ENDED 31 MARCH 2025

This coupled with the continued close monitoring of the charity's cost structure for cost efficiencies, the trustees have confidence that the charity is well poised toward achieving its goal of reaching and thereafter exceeding its breakeven point in FY25/26 and beyond.

Whilst considering the significantly lower deficit recorded in FY 24/25, the trustees continue to take 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 25/26 which should return a modest unrestricted surplus.

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

Plans for future periods

We remain committed to our strategic direction, continuing to apply lessons learned as we place producers at the centre of our work. Our focus is on strengthening their role as key stakeholders and leaders, as we play our roles as a participatory grant-maker, facilitator, and advocate.

While the wider funding landscape remains challenging, we will continue to nurture strong relationships with existing partners and build new ones with donors who share our values. A key priority is securing more flexible funding that supports locally led priorities and enhances our partners' ability to drive sustainable change.

We will also continue to leverage the Traidcraft brand to raise additional resources for our mission. This includes the sale of ethical products such as Christmas cards, tea, toilet rolls, and laundry sheets, as well as partnerships that use the brand as a licensing mark to promote fair trade principles within select supply chains.

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 2023, 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.

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).

The Traidcraft Exchange

(A Company Limited by Guarantee)

TRUSTEES' REPORT *(Continued)*

FOR THE YEAR ENDED 31 MARCH 2025

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.

Governance developments in the year

The board continued to strengthen its governance by building on last year's progress in diversifying, internationalising, and becoming more inclusive. With additional trustees now in place, the board benefits from a wider range of skills, perspectives, and lived experiences, which has already contributed to more effective oversight and decision-making. These developments have enhanced the board's ability to support the organisation's mission, and we remain committed to further improving board effectiveness in the year ahead.

We initiated a process with the Charity Commission to update our charitable objectives, specifically removing clauses relating to the advancement of the Christian religion. This review was completed in 2025/26. Trustees agreed that the previous wording no longer reflected the Charity's work, which has evolved over nearly 40 years into a fully secular mission.

Today, the Charity supports vulnerable communities around the world to address trade and climate injustice, and does so irrespective of religion, caste, creed, ethnicity, or any other factor. The updated objectives ensure our governing documents accurately reflect this long-standing practice and our commitment to inclusive, mission-driven work.

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 role 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. Training is available for new trustees and other trustees as necessary.

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.

The Traidcraft Exchange

(A Company Limited by Guarantee)

TRUSTEES' REPORT *(Continued)*

FOR THE YEAR ENDED 31 MARCH 2025

REFERENCE AND ADMINISTRATIVE DETAILS

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

Advisors

Auditors	S&W Audit	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	
France Villeneuve	

Advisor to the board:

Subindu Garkhel
Simon Grant

Key management personnel:

Alice Oyaro – Interim Chief Executive Officer (Appointed CEO 1st Apr 2025) Jon McNaughton – Head of Public Engagement and Communication & Deputy CEO (Appointed Deputy CEO 1st Nov 2025)
Mukesh Tiwary – Business Head- India
Ruth Bergan – Head of Policy & Advocacy
Filbert Kavia – Africa Region Director
Revathy Rugmini – Regional Director – Asia
Zahir Bin Siddique – Head of Programmes & Operations Bangladesh
Doris Nelima – Head of Finance & Administration
David Nyamesegere- Monitoring, Evaluation, Accountability & Learning (MEAL) Lead

The Traidcraft Exchange

(A Company Limited by Guarantee)

TRUSTEES' REPORT *(Continued)*

FOR THE YEAR ENDED 31 MARCH 2025

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.

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:

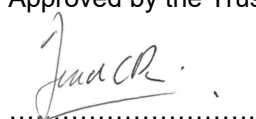
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material 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 ~~18th Dec 25~~..... and signed on their behalf by:



David Pain
Chair

The Traidcraft Exchange

(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE TRAIDCRAFT EXCHANGE FOR THE YEAR ENDED 31 MARCH 2025

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 2025 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 2025, 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.

The Traidcraft Exchange

(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE TRAIDCRAFT EXCHANGE (*continued*) FOR THE YEAR ENDED 31 MARCH 2025

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

Responsibilities of 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.

The Traidcraft Exchange

(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE TRAIDCRAFT EXCHANGE (*continued*) FOR THE YEAR ENDED 31 MARCH 2025

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 a general understanding of the company's legal and regulatory framework through enquiry of management concerning their understanding of relevant laws and regulations, the entity's policies and procedures regarding compliance, and how they identify, evaluate and account for litigation claims. We also drew on our existing understanding of the company's industry and regulation.

We understand that the group and the parent charitable company complies with the framework through:

- Engaging external legal professionals as required and making changes to internal procedures and controls as necessary.
- The directors' close involvement in the day-to-day running of the business, meaning that any litigation or claims would come to their attention directly.
- Monitoring of updates made by regulatory bodies.

In the context of the audit, we considered those laws and regulations which determine the form and content of the financial statements, which are central to the company's ability to conduct its business, and where there is a risk that failure to comply could result in material penalties. We identified the following laws and regulations as being of significance in the context of the company:

- The Companies Act 2006 and FRS 102 in respect of the preparation and presentation of the financial statements.
- The Charities Act 2011 and the Charities: Statement of Recommended Practice in respect of the preparation and presentation of the financial statements.

We performed the following specific procedures to gain evidence about compliance with the significant laws and regulations identified above:

- Making enquires of trustees and management as to where they consider there to be a susceptibility to fraud and 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;
- Reviewing the minutes of meetings of those charged with governance;

The Traidcraft Exchange

(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE TRAIDCRAFT EXCHANGE (*continued*) FOR THE YEAR ENDED 31 MARCH 2025

The senior statutory auditor led a discussion with senior members of the engagement team regarding the susceptibility of the group and the parent charitable company's financial statements to material misstatement, including how fraud might occur. The areas identified in this discussion were:

- Manipulation of the financial statements via and management overriding controls.
- The occurrence and accuracy of donation income.
- The completeness of legacy income.
- The incorrect recognition of grants resulting in the income being recognised in the incorrect accounting period.
- The risk that expenditure has been recorded in the incorrect period.

These areas were communicated to the other members of the engagement team not present at the discussion.

The procedures we carried out to gain evidence in the above areas included:

- Performed data analytics on the general ledger against client specific criteria
- Selected a sample of donations, agreeing the revenue to supporting documentation and through to the bank statements.
- Obtained third party evidence for a sample of grants, to ensure that it was appropriate to recognise the income in the financial statements in accordance with the principles of the SORP.

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

Use of our report

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



**Craig Henderson (Senior Statutory Auditor)
for and on behalf of S&W Audit
Chartered Accountants and Statutory Auditor**

...19 December 2025.....

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 2025

	Note	Unrestricted Funds £	Restricted Funds £	Total 2025 £	Total 2024 £
Income from:					
Donations and legacies	4	1,492,857	-	1,492,857	1,879,508
Charitable activities	5	196,740	1,785,215	1,981,955	1,498,295
Total income		<u>1,689,597</u>	<u>1,785,215</u>	<u>3,474,812</u>	<u>3,377,803</u>
Expenditure on:					
Raising funds	6				
Voluntary income sources		664,692	-	664,692	776,149
Institutional income sources		61,945	-	61,945	114,122
Charitable activities	7				
Development programmes		533,846	1,713,565	2,247,411	2,392,883
Policy and campaigns		457,346	75,191	532,537	639,030
Total expenditure		<u>1,717,828</u>	<u>1,788,756</u>	<u>3,506,584</u>	<u>3,922,184</u>
Net movement in funds before transfers		(28,231)	(3,541)	(31,772)	(544,381)
Transfer between funds	19	(12,853)	12,853	-	-
Net movement in funds after transfers		<u>(41,084)</u>	<u>9,312</u>	<u>(31,772)</u>	<u>(544,381)</u>
Other recognised gains/(losses)					
Unrealised foreign exchange losses		(25,142)	-	(25,142)	(55,924)
Net movement in funds		<u>(66,226)</u>	<u>9,312</u>	<u>(56,914)</u>	<u>(600,305)</u>
Reconciliation of funds					
Total funds brought forward		294,286	258,210	552,496	1,152,777
Total funds carried forward		<u>228,060</u>	<u>267,522</u>	<u>495,582</u>	<u>552,496</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 2025**

	Notes	£	2025 £	£	2024 £
Fixed assets					
Intangible assets	14		17,600		19,800
Tangible assets	13		13,120		12,045
			<u>30,720</u>		<u>31,845</u>
Current assets					
Debtors	16	465,372		330,894	
Cash at bank and in hand		432,690		601,679	
		<u>898,062</u>		<u>932,573</u>	
Creditors: amounts falling due within one year	17	(433,200)		(411,922)	
		<u></u>		<u></u>	
Net current assets			464,862		520,651
Net assets			<u>495,582</u>		<u>522,496</u>
			<u></u>		<u></u>
Charity Funds					
Unrestricted funds			228,060		294,286
Restricted funds			267,522		258,210
Total Charity Funds	19		<u>495,582</u>		<u>552,496</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 18th Dec 25 and signed on their behalf by:



David Pain
Chair

Company Number: 03031674

The Traidcraft Exchange

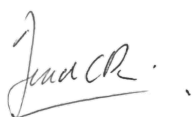
(A Company Limited by Guarantee)

CHARITABLE COMPANY BALANCE SHEET**AS AT 31 MARCH 2025**

	Notes	£	2025 £	£	2024 £
Fixed assets					
Intangible assets	14		17,600		19,800
Tangible assets	13		11,265		10,202
Investments	15		1,000		1,000
			<u>29,865</u>		<u>31,002</u>
Current assets					
Debtors	16	439,484		260,274	
Cash at bank and in hand		414,895		599,843	
		<u>854,379</u>		<u>860,117</u>	
Creditors: amounts falling due within one year	17	(437,097)		(378,715)	
		<u></u>		<u></u>	
Net current assets			417,282		481,402
Net assets			<u>447,147</u>		<u>512,404</u>
			<u></u>		<u></u>
Funds					
Unrestricted funds			228,464		254,194
Restricted funds	19		218,683		258,210
			<u>447,147</u>		<u>512,404</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 18th Dec 25... and signed on their behalf by:



.....
David Pain
Chair

Company Number: 03031674

The Traidcraft Exchange

(A Company Limited by Guarantee)

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2025**

	Note	2025 £	2024 £
<i>Net cash provided by/(used in) operating activities</i>	24	(141,933)	(974,079)
Cash flows from investing activities			
Purchase of tangible assets		(5,812)	-
Interest received		3,898	15,058
<i>Net cash flow from investing activities</i>		(1,914)	15,058
Net decrease in cash and cash equivalents		(143,847)	(959,021)
Cash and cash equivalents at the beginning of the year		601,679	1,616,624
Change in cash and cash equivalents due to exchange rate movements		(25,142)	(55,924)
Cash and cash equivalents at the end of the year		432,690	601,679
Cash and cash equivalents consist of:			
Cash at bank and in hand		432,690	601,679

The Traidcraft Exchange

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

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

The trustees have a reasonable expectation that Traidcraft Exchange has adequate resources to continue in operational existence for the foreseeable future.

With the strong performance in FY24-25, the charity is looking to FY25-26 with optimism of breaking even. Similarly, to FY24-25, for FY25-26, the board of Traidcraft Exchange once again approved a surplus (unrestricted surplus) budget. Post year end 24/25, the charity has continued to maintain strong support from its network of mid and high level institutional donors and individual supporters and has initiated a review of its fundraising strategy that is set to yield a refreshed fundraising approach towards attracting new & more flexible funding.

This coupled with the continued close monitoring of the charity's cost structure for cost efficiencies, the trustees have confidence that the charity is well poised toward achieving its goal of reaching and thereafter exceeding its breakeven point in FY25/26 and beyond.

The Traidcraft Exchange

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

FOR THE YEAR ENDED 31 MARCH 2025

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.

The Traidcraft Exchange

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 MARCH 2025

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
----------------------	-----------

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.

The Traidcraft Exchange

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 MARCH 2025

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.

The Traidcraft Exchange

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

FOR THE YEAR ENDED 31 MARCH 2025

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.

The Traidcraft Exchange

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 MARCH 2025

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

		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>258,210</u>	<u>552,496</u>	<u>1,152,777</u>

The Traidcraft Exchange

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2025**4. Income from donations and legacies**

	2025	2024
	£	£
Donations	1,293,249	1,534,665
Legacies	199,608	328,693
Other donations	-	16,150
	<u>1,492,857</u>	<u>1,879,508</u>

5. Charitable activities

	Unrestricted Funds	Restricted Funds	2025	2024
	£	£	£	£
Grants from institutional sources	-	1,785,215	1,785,215	1,446,909
Consultancy and other income	196,740	-	196,740	51,386
	<u>196,740</u>	<u>1,785,215</u>	<u>1,981,955</u>	<u>1,498,295</u>

6. Costs of generating funds**Voluntary income**

	2025	2024
	£	£
Travel and accommodation	212	348
Direct costs	287,855	297,581
Support costs	129,157	167,379
Direct salaries	247,468	310,841
	<u>664,692</u>	<u>776,149</u>

Institutional sources

	2025	2024
	£	£
Support costs	61,830	114,122
Direct costs	114	-
	<u>61,945</u>	<u>114,122</u>

The Traidcraft Exchange

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 MARCH 2025

7. Analysis of expenditure on charitable activities

	Unrestricted funds £	Restricted funds £	Total 2025 £	Total 2024 £
Development Programmes				
Direct salaries	282,629	277,524	560,153	742,720
Travel and accommodation	21,711	38,471	60,182	70,889
Direct programme costs	92,503	1,285,989	1,378,492	1,485,670
Support costs (Note 8)	136,302	112,281	248,583	93,580
	<u>533,145</u>	<u>1,714,265</u>	<u>2,247,410</u>	<u>2,392,859</u>
Policy Unit and Campaigning				
Direct salaries	294,187	44,900	339,086	355,331
Travel and accommodation	5,321	704	6,025	4,210
Direct programme costs	3,399	29,588	32,987	14,727
Support costs (Note 8)	154,439	-	154,439	264,763
	<u>457,346</u>	<u>75,191</u>	<u>532,537</u>	<u>639,030</u>
	<u>990,490</u>	<u>1,789,456</u>	<u>2,779,947</u>	<u>3,031,889</u>

8. Support costs

	Voluntary Income £	Institutional Sources £	Development Programmes £	Policy & Campaigning £
Management and admin salaries	91,867	43,979	96,949	109,850
Governance	14,041	6,722	14,818	16,790
Office services	8,750	4,189	9,235	10,463
Office machinery and consumables	763	365	805	912
Financial services	13,735	6,575	14,495	16,424
	<u>129,157</u>	<u>61,830</u>	<u>136,302</u>	<u>154,439</u>
			2025	2024
			£	£
Management and admin salaries			342,645	438,170
Governance			52,370	76,687
Office services			32,637	77,401
Office machinery and consumables			2,846	6,365
Financial services			51,229	41,220
			<u>481,728</u>	<u>639,843</u>

The Traidcraft Exchange

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 MARCH 2025

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;

	2025	2024
	£	£
Amortisation	2,200	2,200
Depreciation	4,737	11,172
Operating lease costs	56,173	57,004
Unrealised exchange rate losses	25,142	55,924
Auditors remuneration	20,000	25,000
	<hr/>	<hr/>

10. Auditors remuneration

The auditors remuneration amounts to an audit fee of £20,000 (2024 - £25,000).

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	3,410,667
Expenditure	(3,312,406)
Unrealised losses	(25,142)
Dec 25	
Net (deficit) / surplus	<hr/> 73,119 <hr/>

The Traidcraft Exchange

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS (Continued)**FOR THE YEAR ENDED 31 MARCH 2025****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:

	2025	2024
	£	£
Wages and salaries	680,806	861,332
Social security costs	70,132	86,714
Other pension costs	79,002	105,743
Overseas salaries and staff costs	548,955	793,273
	<u>1,378,895</u>	<u>1,764,915</u>

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

	2025	2024
	Group	Group
Development programmes and Policy Unit	37	49
Fundraising	9	13
Management and administration	10	9
	<u>56</u>	<u>71</u>

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

	Number	Number
	2025	2024
In the band £60,001 - £70,000	1	1
In the band £70,001 - £80,000	-	1
In the band £90,001 - £100,000	1	1
	<u>2</u>	<u>3</u>

The Traidcraft Exchange

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS (Continued)**FOR THE YEAR ENDED 31 MARCH 2025****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 (2024 – £nil). No Trustee received payment for professional or other services supplied to the charity (2024 - £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 £475,625 (2024 - £526,934).

**13. Tangible fixed assets
Consolidated**

	Fixtures, fittings and equipment £	Total £
Cost		
At 1 April 2024	141,452	141,452
Additions	5,812	5,812
	<hr/>	<hr/>
At 31 March 2025	147,264	147,264
	<hr/>	<hr/>
Depreciation and impairment		
At 1 April 2024	129,407	129,407
Charge for the year	4,737	4,737
	<hr/>	<hr/>
At 31 March 2025	134,144	134,144
	<hr/>	<hr/>
Net book value		
At 31 March 2025	13,120	13,120
	<hr/>	<hr/>
At 31 March 2024	12,045	12,045
	<hr/> <hr/>	<hr/> <hr/>

The Traidcraft Exchange

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2025

13. Tangible fixed assets (continued)
Charitable company

	Fixtures, fittings and equipment £	Total £
Cost		
At 1 April 2024	131,391	131,391
Additions	4,632	4,632
At 31 March 2025	<u>136,023</u>	<u>136,023</u>
Depreciation and impairment		
At 1 April 2024	121,189	121,189
Charge for the year	3,569	3,569
At 31 March 2025	<u>124,758</u>	<u>124,758</u>
Net book value		
At 31 March 2025	<u>11,265</u>	<u>11,265</u>
At 31 March 2024	<u>10,202</u>	<u>10,202</u>

The Traidcraft Exchange

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS *(Continued)* FOR THE YEAR ENDED 31 MARCH 2025

14. Intangible assets Consolidated & Company

	IT systems £	Total £
Cost		
At 1 April 2024 and 31 March 2025	41,469	41,469
Amortisation		
At 1 April 2024	21,669	21,669
Charge for the year	2,200	2,200
At 31 March 2025	23,869	23,869
Net book value		
At 31 March 2025	17,600	17,600
At 31 March 2024	19,800	19,800

15. Investments

	Consolidated		Charitable Company	
	2025	2024	2025	2024
	£	£	£	£
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 2025, 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 2025

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:

	2025
	£
Turnover	226,479
Expenditure	(219,320)
	<hr/>
Loss for the year	7,159
	<hr/>
	2025
	£
Total assets	87,727
Total liabilities	(39,292)
	<hr/>
Shareholders' funds	48,435
	<hr/>

16. Debtors

	Group 2025 £	Group 2024 £	Charitable 2025 £	Company 2024 £
Trade debtors	79,590	11,851	59,277	11,851
Amounts owed to subsidiary undertakings	-	-	-	-
Prepayments and accrued income	368,789	233,683	366,253	231,103
Other debtors	16,993	85,360	13,954	17,320
	<hr/>	<hr/>	<hr/>	<hr/>
	465,372	330,894	439,484	260,274
	<hr/>	<hr/>	<hr/>	<hr/>

The Traidcraft Exchange

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 MARCH 2025

17. Creditors: amounts falling due within one year

	Group 2025 £	Group 2024 £	Charitable 2025 £	Company 2024 £
Trade creditors	105,836	44,573	105,836	44,573
Social Security and taxes	26,466	24,050	15,445	7,169
Accruals and deferred income	261,647	339,579	250,776	340,579
Other creditors	39,251	3,720	21,852	(13,606)
Amounts owed to subsidiary	-	-	43,188	-
	<u>433,200</u>	<u>411,922</u>	<u>437,097</u>	<u>378,715</u>

Deferred income

	Group 2025 £	Group 2024 £	Charitable 2025 £	Company 2024 £
Deferred income at 01 April 2024	135,283	815,674	135,283	815,674
Deferred during the year	655,422	135,283	644,551	135,283
Amounts released	(622,645)	(815,674)	(622,644)	(815,674)
Deferred income at 31 March 2025	<u>168,060</u>	<u>135,283</u>	<u>157,190</u>	<u>135,283</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 25/26. 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;

	2025 £	2024 £
Not later than one year	59,817	59,817
Later than one and not later than five years	66,067	66,067
	<u>125,884</u>	<u>125,884</u>

The Traidcraft Exchange

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 MARCH 2025

19. Fund reconciliation

Year ended 31 March 2025

	Balance at 1 April 2024	Income	Expenditure	Transfers	Gains/ (losses)	Balance at 31 March 2025
Unrestricted funds						
General fund	224,286	1,689,597	(1,717,828)	(12,853)	(25,142)	158,060
Designated fund						
Organisation systems strengthening work	70,000	-	-	-	-	70,000
	<u>294,286</u>	<u>1,689,597</u>	<u>(1,717,828)</u>	<u>(12,853)</u>	<u>(25,142)</u>	<u>228,060</u>
Restricted funds						
JRCT land grab research Project	6,463	-	-	-	-	6,463
Khamatayan project	1,927	-	-	-	-	1,927
Hidden Homeworkers project	22,033	4,000	(2,645)	-	-	23,388
Tanzania - Disability project	5,420	(13,959)	-	13,959	-	5,420
Matrix Causes Fund	5,000	-	-	-	-	5,000
West Bengal Women Farmers	23,961	-	-	-	-	23,961
Juicing Justice project	500	-	-	-	-	500
OAK Foundation project	-	134,969	(59,637)	(31,740)	-	43,592
Oak - Tea Project	15,001	475,960	(356,199)	-	-	134,762
Laudes foundation	5,418	-	-	-	-	5,418
Laudes Garment Work	118,876	125,424	(75,191)	-	-	169,110
Empowering Women CSOs						
(WEE) project	31,751	490,828	(665,720)	(32,212)	-	(175,353)
UKAM- PPP project	-	192,939	(353,020)	-	-	(160,081)
Strengthening Farmers Association	4,882	177,555	(156,747)	-	-	25,689
Muktee II: Strengthening (Women CSOs)	9,225	57,865	(8,238)	(1,773)	-	57,080
SPF – Swalamban project	-	116,207	(37,984)	-	-	78,223
ADD Disability Justice Program – Kenya		22,427	(7,758)	-	-	14,669
Coffee, Cocoa & Palm oil (CCP)	7,754	-	(7,510)	7,510	-	7,754
EA Tea Project	-	1,000	(56,224)	55,224	-	-
(PGM) Pilot	-	-	(1,885)	1,885	-	-
Total restricted funds	<u>258,210</u>	<u>1,785,215</u>	<u>(1,788,756)</u>	<u>12,853</u>	<u>-</u>	<u>267,522</u>
Total funds	<u>522,496</u>	<u>3,474,812</u>	<u>(3,506,584)</u>	<u>-</u>	<u>(25,142)</u>	<u>495,582</u>

The Traidcraft Exchange

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 MARCH 2025

19. Fund reconciliation (Continued)

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>552,496</u>

The Traidcraft Exchange

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

FOR THE YEAR ENDED 31 MARCH 2025

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.

The Traidcraft Exchange

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 MARCH 2025

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.

The Traidcraft Exchange

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 MARCH 2025

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.

The Traidcraft Exchange

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 MARCH 2025

20. Analysis of net assets between funds

Year ended 31 March 2025

	Unrestricted Funds £	Restricted Funds £	Total 2025 £	Total 2024 £
Tangible assets	13,120	-	13,120	12,045
Intangible assets	17,600	-	17,600	19,800
Current assets	462,480	435,582	898,062	932,572
Creditors amounts due within one year	(265,140)	(168,060)	(433,200)	(411,921)
	<u>228,060</u>	<u>267,522</u>	<u>495,582</u>	<u>552,496</u>

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>

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 (2024 - £nil) during the year.

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.

The Traidcraft Exchange

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 MARCH 2025

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):

The Traidcraft Exchange

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS *(Continued)* FOR THE YEAR ENDED 31 MARCH 2025

	At 31 March 2025	At 31 March 2024	At 31 March 2023
	%	%	%
Discount rate	5.6	4.7	4.6
Expected rate of inflation (CPI)	2.95	3.05	2.75
Rate of increase of pensions accrued post 5 April 1997	0.0	2.9	2.75
Rate of revaluation of deferred pensions	2.95	3.05	2.75

	At 31 March 2025	At 31 March 2024	At 31 March 2023
Mortality rates (in years)			
For a male aged 65 now	21.6	21.3	22.1
At 65 for a male aged 45 now	22.9	22.6	23.5
For a female aged 65 now	23.9	23.7	24.5
At 65 for a female aged 45 now	25.3	25.2	26

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

	At 31 March 2025 £	At 31 March 2024 £
Equities	291,000	253,000
Property	-	76,000
Gilts	401,000	398,000
Bonds	789,000	721,000
Cash	20,000	52,000
Total fair value of assets	1,501,000	1,500,000

The actual return on scheme assets was £.65,000 (2024: 32,000).

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

The Traidcraft Exchange

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS (Continued)**FOR THE YEAR ENDED 31 MARCH 2025**

	At 31 March 2025 £	At 31 March 2024 £
Opening defined benefit obligation	1,463,000	1,382,000
Interest cost	67,000	63,000
Benefits paid	(64,000)	(42,000)
Actuarial gain/(losses)	(168,000)	60,000
Closing defined benefit obligation	1,298,000	1,463,000

Reconciliation of fair value of plan assets were as follows:

	£	£
Opening fair value of scheme assets	1,500,000	1,443,000
Interest income	69,000	65,000
Return on plan assets excluding interest	(4,000)	(33,000)
Benefits paid	(64,000)	(42,000)
Other income/(expenses)	-	67,000
	1,501,000	1,500,000

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

	At 31 March 2025 £	At 31 March 2024 £
Present value of defined benefit obligations	(1,298,000)	(1,463,000)
Fair value of plan assets	1,501,000	1,500,000
Restriction of scheme asset	(203,000)	(37,000)
Deficit in the scheme	-	-

In the year ended 31 March 2025 the actuarial valuation for accounting purposes showed a surplus of assets over liabilities at that date of £203,000 (2024: £37,000). 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% (2024: 7.5%). Traidcraft Exchange made contributions of £.79,002 during the past year (2023: £.105,743) and this cost, together with administration charges of £.Nil (2024: Nil) relating to the closed scheme comprise the pension cost of £.79,002 (2024: £.105,743) shown in Note 10 to these accounts.

The Traidcraft Exchange

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS (Continued)**FOR THE YEAR ENDED 31 MARCH 2025**

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

	2025	2024
	£	£
Net deficit for the year	(31,772)	(544,357)
Depreciation and amortisation on tangible assets	6,937	1,605
Loss on disposal of fixed assets	-	(2,707)
Interest received	(3,898)	(15,058)
Prior year non cash adjustment	-	(16,000)
(Increase)/Decrease in debtors	(134,480)	66,861
Increase/(Decrease) in creditors	21,280	(464,424)
Net cash flow from operating activities	<u>(141,933)</u>	<u>(974,079)</u>