

TRUSTEES' ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
30 SEPTEMBER 2022**

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

SHARED INTEREST FOUNDATION

ANNUAL REPORT 2022

Contents

Legal and Administrative Information	3
Trustees' Report	4
Independent Auditors' Report	8
Statement of Financial Activities	10
Balance Sheet	12
Notes to the Financial Statements	13

LEGAL & ADMINISTRATIVE INFORMATION

LEGAL STATUS

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

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

DIRECTORS AND ADVISERS

for the year ended 30 September 2022

The Directors of the company, who are also the Trustees of the charity, who were in office during the year were:

	Year appointed
M Coyle (Chair)	2015
DP Alexander	2006
R Anderson (appointed October 2020)	2020
PG Chandler (retired March 2022)	2013
MP Kyndt (retired March 2022)	2012
Y Gale	2019
C Talens	2019
MJF Duncan (appointed December 2021)	2021
JCP Valentin (appointed December 2021)	2021

Company Secretary

TD Morgan

Independent Auditors

Armstrong Watson Audit Limited

Suite 15 & 17

11 Waterloo Street

Newcastle upon Tyne

NE1 4DP

Principal and Registered Office

Pearl Assurance House

7 New Bridge Street West

Newcastle upon Tyne

NE1 8AQ

TRUSTEES' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2022

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

GOVERNING DOCUMENT AND ORGANISATION

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

PRINCIPAL AIMS AND OBJECTIVES

The objectives of the Foundation are to:

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

In order to deliver these objectives, we aim to improve livelihoods through the development of sustainable businesses and income generation initiatives across Africa and Latin America. We deliver social impact projects and provide business support to smallholder producer groups. We believe that strong and well-managed businesses create employment opportunities and increase the income of producers and workers, resulting in an improvement in their quality of life.

Our Shared Interest Theory of Change which is shared by the Society and Foundation, describes how we aim to build resilient businesses that in turn provide benefits to local communities. This is explained in more detail in our social accounts available on the website <https://www.shared-interest.com/gb/invest/about-us/publications>

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

APPOINTMENT OF DIRECTORS

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

OTHER EXTERNAL APPOINTMENTS

Below are shown the external directorships/trusteeships of the members of the Board of Directors and Senior Management Team.

All below, except Kerrey Baker, are Directors of Shared Interest Society Limited. Tim Morgan is the Company Secretary of the Foundation but is not a director.

Patricia Alexander **	Newcastle High School for Girls (Chair of Governors), St Oswald's Primary School, South Shields (Governor), Newcastle Business School Advisory Board
Tim Morgan **	Ecology Building Society, Northern Dance
Mary Coyle	Newcastle University Retirement Benefits Plan, Northumbrian Water Forum (member)
Martin Kyndt	Fitzroy Support, Sussex Wildlife Trust
Yvonne Gale	NEL Fund Managers Ltd (Director) (The appointments below in italics are dormant or semi-dormant entities linked to the above appointment). <i>NE Growth (ERDF) General Partner Ltd (Director), NE Growth (ERDF) Carried Interest Partner Ltd (Director), NE Small Loan (ERDF) General Partner Ltd (Director), NEGF General Partner Ltd (Director), NEL EOT Ltd (Director), Northern Enterprise Limited (Director), NEGF Carried interest LLP (Designated Member)</i> Institute of Chartered Accountants in England and Wales, Members and Commercial Board (Member), Northern Society of Chartered Accountants (President), Millfield House Foundation (Trustee and Chair of Investment Committee), North East England Chamber of Commerce (Director and Chair of Investment Committee), North East Local Enterprise Partnership - Business Growth Board (Member), Durham University MBA Advisory Board (Member), Office of the Small Business Commissioner (Chair), Prompt Payment Code Compliance Board (Chair)
Cristina Talens	Source Sustainable Supply Chains Ltd, Leek Gears Limited, Director of Business Risk Assessments at the Wilberforce Institute (University of Hull)
Richard Anderson	Marston Legal Services Limited, Engage Services (ESL) Limited
Melissa Duncan	Fairtrade International, Executive Director Talullah Love Limited, Director Bondsteel Limited, Director
Paul Valentin	None
Kerrey Baker *	Millin Trust

** Member of Senior Management Team and Board

* Member of Senior Management Team

CORPORATE GOVERNANCE

As noted above, the Board of Shared Interest Foundation has a large overlap with that of the member organisation, Shared Interest Society. Due to this fact a number of the committees of the Society Board are common to both organisations – notably the Audit, Nomination and Remuneration committees. The statutory accounts of the Society contain a detailed report of these committees and this has not been replicated here but is available in those accounts from the Publications section of the website. Alongside those there is also a report assessing compliance with the Charity Corporate Governance Code and this similarly applies to the Boards of both organisations.

REVIEW OF THE YEAR AND FUTURE DEVELOPMENTS

The Foundation works with a joint mission with Shared Interest Society to provide financial services and business support to make livelihoods and living standards better for people as they trade their way out of poverty. The Society is a social lender and the Foundation undertakes a range of activities, all focused on the end goal of supporting and developing producer organisations. We primarily support businesses within the fair trade movement, seeking to ensure that our activity leads to both financial and social benefits within communities. The outcomes of the projects detailed below demonstrate that we have continued to deliver on our aim to support more resilient businesses providing both a social and a financial return in their local communities. Further detail of our impact is contained in our joint social accounts available from the website (see link above).

This year we continued to deliver five projects:

- 1. Growing Fairer Futures: Ivory Coast** launched in December 2020. This five-year project is supporting 50 young people (20% female) living in the communities close to cocoa co-operative, Cooperative Agricole de Yakasse Attobrou (CAYAT). The project will enable participants to establish their own cocoa farm, generate a sustainable source of income and contribute to the sustainability of cocoa production in the region. Each farmer was provided with 750 cocoa trees and a selection of farming tools. They also received training in Good Agricultural Practices, Climate Smart Agriculture (CSA) and Agri-business skills. The farmers are continuing with regular farm maintenance activities to support the growth of their coffee trees and their first harvest is expected in 2024.
- 2. Growing Fairer Futures: Rwanda** is delivered in partnership with Kopakama, a coffee co-operative based in the Western province of Rwanda. Launched in February 2021, this two-year project is supporting 50 young farmers to establish a sustainable coffee farm. Each farmer was provided with tools and equipment and training in Good Agricultural Practices, Climate Smart Agriculture, and Agri-business skills. Six nurseries were established and planted with a total of 70,000 coffee seedlings. Two demonstration plots were also established.
- 3. Increasing the Resilience of Coffee Farming Households in Rural Uganda** launched in April 2021. This two-year project is supporting 365 coffee farmers (40% women) to increase their household resilience by growing passion fruit, to generate a second source of income. In partnership with Bukonzo Organic Coffee Co-operative farmers have improved their coffee production through training in Good Agricultural Practices and Climate Smart Agriculture. The farmers are now working in small groups of 20 to continue the production of organic compost.
- 4. Increasing Economic Opportunities for Women through Soilless Farming, Ghana** launched in February 2021. This innovative project supports female basket weavers to diversify their income through the production of vegetables using a soilless farming technique. Working in partnership with a local organisation, TradeAID Integrated, we have enabled the refurbishment of a warehouse for vegetables and helped establish six vegetable farms. Sixty basket weavers were trained in rural entrepreneurship and soilless farming techniques. To increase TradeAID Integrated's technical capacity in this new farming method, we also collaborated with the University of Ghana Crop Science Department.
- 5. Building Sustainable Livelihoods for Women in rural Nicaragua through Organic Sesame Farming** launched in April 2021. Working in partnership with local sesame co-operative, Coproexnic, we supported 40 women living in rural Nicaragua to grow organic sesame to achieve a sustainable source of income. Training in Good Agricultural Practices was delivered by a representative from the Agricultural Protection and Health Institute and practical demonstrations in organic fertiliser production were delivered by a consultant from the Food Safety Office. The group had their first sesame harvest in January 2022. In total, 16.7 tonnes of sesame was harvested with a value of over 24,000 USD.

We also launched six new projects during the year:

- a. Ensuring Environmental Protection and Biodiversity Conservation through Income Diversification** launched in April 2022. Working in partnership with Inka Moss, a social enterprise based in the Andean highlands, we are supporting 1,125 potato farmers to also harvest moss in five communities to earn extra income. We have provided tools and equipment, followed by training in sustainable moss harvesting techniques. Winches were also installed to transport the moss sacks across the valleys to the villages, when previously they would have been carried on the back of the harvester. Next year, training will be delivered in environmental awareness and conservation.
- b. Strengthening Coffee Producers' Resilience to Climate Change** is being delivered in partnership with Rwandan coffee co-operative, Tropic Coffee. Launched in February 2022 this project is supporting 625 farmers to increase their climate resilience and strengthen their coffee farming business. Training was delivered in Good Agricultural Practices, Climate Smart Agriculture and organic fertiliser production. Demonstration plots were also established for practical training in sustainable farming skills. Nursery beds were planted with 40,000 coffee seedlings and 41,500 fruit and shade trees. These trees will be distributed in November 2023 and planted on the farms to increase soil stability and reduce erosion.
- c. Improving Livelihoods through Agro-processing** launched in Burkina Faso in April 2022 in partnership with the National Fair Trade Platform of Burkina Faso (PNCE-B). This project is supporting 40 female shea nut collectors to increase their income through agro-processing. Following training in shea soap and butter production, the women were provided with production kits and with support from local shea co-operative COPRONOS, they are selling locally and internationally. A further ten women received training in processing néré beans into soumbala, a popular local spice.
- d. Seed to Stall: Increasing Self-sustainability through Soilless Vegetable Farming** launched in September 2022 in Burkina Faso. To deliver this project we are working

TRUSTEES' REPORT

in partnership with PNCE-B and GAFREH, a women-led community organisation based in the city of Bobo-Dioulasso, who provide support to over 6,000 women through enterprise development and the creation of employment opportunities. The project will establish an organic vegetable business. This project is supporting 200 women living in the semi-urban areas around Bobo-Dioulasso.

e. Seed to Stall: Increasing Self-sustainability through Domestic Soilless Vegetable Farming launched in September 2022. This project is being delivered alongside our other Seed to Stall project in Burkina Faso (see above), and is supporting a further 30 women in the domestic production of organic vegetables using the soilless farming technique. The vegetables will provide food for the women and their families, with the surplus sold on the local market for additional income.

f. Soilless Farming Ghana (Drip Irrigation) is an additional activity to strengthen the sustainability of our soilless farming project (4 in Ghana). Funding was secured to install drip irrigation systems across each farm supplying a timely and accurate volume of water directly to the vegetable plant roots. This activity began in September 2022, helping to maintain year-round production and achieve a more reliable food supply.

Finally, during the year we concluded one project:

Improving Organic Coffee Production in Peru launched in March 2021 and supported coffee co-operative CECAFE, in the Amazonas region of northern Peru, to implement eco-friendly methods for managing the coffee borer beetle, which had increased in prevalence due to the impact of climate change. The project also helped establish infrastructure for the production of organic compost, which was sold in 50kg bags to the farmers at low cost. Throughout this project, 247 tonnes of compost was produced and 4,941 50kg bags were sold to 386 farmers and applied to 494 hectares of land.

LIVELIHOOD SECURITY FUND

The Livelihood Security Fund was relaunched in 2020 to raise restricted funds to help producers in Africa and Latin America to meet their basic needs and support income levels during and beyond the Covid-19 crisis. A sum of £7,336 was held in this fund at the financial year-end, ready to deploy in appropriate emergency situations. Through our Facebook and Twitter pages, we seek to raise awareness of the appeal, and encourage donations through our JustGiving fundraising page.

RESTRICTED INCOME FUNDS

We acknowledge the receipt of restricted funds totalling almost £93.5k (2021: £75k) in our financial statements and details are provided at notes 2 and 3. We are grateful to all the donors who have supported our work in the past year.

UNRESTRICTED INCOME FUNDS

Unrestricted income for the year was £218k, down from £288k in the previous year, but £9k higher than our budget for the year. Much of this funding is provided by donations and legacies from members of the Shared Interest Society for which the Trustees are especially grateful. A number of the sums donated came from accounts where we are aware, sadly, that the member of Shared Interest Society has died. We would like to extend our deepest sympathy to the families in question and assure you that we will seek to do the very best to honour your relative by putting their generous donation to good use in the Foundation.

The Foundation continues to hold a number of legacy nominations from the members of the Society and the

Trustees of the Foundation are grateful to Society members who have indicated that they intend to support the charity by leaving a legacy in this manner.

Diversifying unrestricted income sources has continued to be challenging but we were able to finish the year with an increase in free unrestricted reserves (that is, excluding funds designated to a number of specific projects). We continue to seek new avenues to grow our income, recognising that we cannot only rely on donations from Society' members.

Fundraising costs in the financial statements represent a proportion of staff time, small fees to sites such as JustGiving and, when these occur (nil this year), some small costs of fund-raising events. We are grateful to all those who support our work, individuals, trusts and grant making bodies.

Management costs as a percentage of charitable expenditure were 28.9% (2021: 24%) and fundraising costs as a percentage of income were 3.8% (2021: 3%). The increase in the first ratio reflects the fact that rather more support was provided by the Society to the Foundation in this financial year and the second has increased due to the unevenness of income being received. Fund-raising efforts often take some time to come to fruition.

RISK ASSESSMENT

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

- Major incident during staff travel;
- Dependence on key personnel, absence, loss or failure to recruit; and
- Political instability creating operational and/or security issues overseas, impacting income and/or staff safety;

In addition to the above risks the Foundation faced the global risk caused by the Covid-19 pandemic. Remote working meant that the Foundation could continue to operate, managing live projects virtually and seeking funding for future ones. This year travel has been able to recommence and this has been important as it provides the fullest view of the progress of projects. As noted above, generous funding from a range of different donors this year has meant that the Foundation has been able to increase resources and approve expenditure on a new project for 2022/23.

RESERVES AND GOING CONCERN STATUS

The Trustees have agreed that the reserves policy should be to keep the equivalent of three to six months unrestricted expenditure as free reserves to cover periods of uneven income or unexpected income shortfalls. The balance on the Unrestricted income fund at the year-end, after a further designation of just over £42k to a specific project, represents almost 10 months of budgeted unrestricted expenditure, the higher number being deemed appropriate in the current very challenging operational and funding environment.

Based on the financial position at the 30th September and the Business Plan for the 2022/23 year and beyond, the Trustees believe that Shared Interest Foundation is a going concern and these financial statements have been prepared on that basis.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also directors of Shared Interest Foundation for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

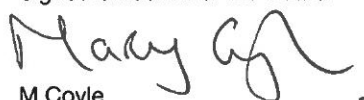
STATEMENT OF DISCLOSURE OF INFORMATION TO THE AUDITORS

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

INDEPENDENT AUDITORS

The charity only has one member, Shared Interest Society, and there is a high degree of overlap between the Boards of both organisations. The charity does not therefore hold an Annual General Meeting but the Board of the Society will re-appoint Armstrong Watson as auditors for the year which began on 1 October 2022.

Signed on behalf of the Board



M Coyle

Chair of Trustees

14 December 2022

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SHARED INTEREST FOUNDATION

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Shared Interest Foundation (the 'charitable company') for the year ended 30 September 2022 which comprise the Statement of Financial Activities, the Balance Sheet, and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 September 2022 and its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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 other information comprises the information included in the Trustees' Report other than the financial statements and our Auditor's Report thereon. The Trustees are responsible for the other information contained within the Trustees' Report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

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

- the charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' 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 Trustees' 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 6, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements 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 charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations and in particular, adherence to the Charities Act;
- we identified the laws and regulations applicable to the charitable company through discussions with Trustees and other management and review of appropriate industry knowledge;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charitable company financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures as a risk assessment tool to identify any unusual or unexpected relationships; and
- tested journal entries to identify unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation; and
- enquiring of management as to actual and potential litigation and claims.

Due to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit

in accordance with auditing standards. For example, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations.

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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Simon Turner (Senior statutory auditor)

Armstrong Watson Audit Limited

Chartered Accountants
Statutory Auditors
Newcastle upon Tyne

Date: 15 - 12 - 2022

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 30 SEPTEMBER 2022

	Note	Unrestricted funds	Restricted funds	Total funds	Total funds
		2022	2022	2022	2021
		£	£	£	£
Income from:					
Donations and legacies	2	217,034	-	217,034	290,387
Charitable activities	3	-	93,496	93,496	71,625
Investment income	4	755	-	755	583
Total income		217,789	93,496	311,285	362,595
Expenditure on:					
Raising funds	7	12,062	-	12,062	11,044
Charitable activities	5, 6	259,706	63,670	323,376	293,105
Total expenditure		271,768	63,670	335,438	304,149
Net income / (expenditure) before transfers		(53,979)	29,826	(24,153)	58,446
Transfers between funds		-	-	-	-
Net income / (expenditure)		(53,979)	29,826	(24,153)	58,446
Net movement in funds		(53,979)	29,826	(24,153)	58,446
Reconciliation of funds:					
Total funds at 1 October		310,239	74,033	384,272	325,826
Total funds at 30 September		256,260	103,859	360,119	384,272

All activities relate to continuing operations.

The notes on pages 13 to 18 form part of these financial statements.

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 30 SEPTEMBER 2021

Previous Financial Year	Unrestricted funds	Restricted funds	Total funds
	2021	2021	2021
	£	£	£
Income from:			
Donations and legacies	287,374	3,013	290,387
Charitable activities	-	71,625	71,625
Investment income	583	-	583
Total income	287,957	74,638	362,595
Expenditure on:			
Raising funds	11,044	-	11,044
Charitable activities	185,689	107,416	293,105
Total expenditure	196,733	107,416	304,149
Net income before transfers	91,224	(32,778)	58,446
Transfers between funds	-	-	-
Net income	91,224	(32,778)	58,446
Net movement in funds	91,224	(32,778)	58,446
Reconciliation of funds:			
Total funds at 1 October	219,015	106,811	325,826
Total funds at 30 September	310,239	74,033	384,272

BALANCE SHEET

AT 30 SEPTEMBER 2022

	Note	2022 £	2021 £
Current assets			
Debtors and prepayments	11	10,211	14,108
Cash at bank and in hand	12	276,800	268,511
Deposits with credit institutions	13	109,265	108,573
Total current assets		396,276	391,192
Creditors: amounts falling due within one year	14	(36,157)	(6,920)
Net current assets		360,119	384,272
Net assets		360,119	384,272
Charity funds			
Restricted funds	15, 16, 17	103,859	74,033
Unrestricted designated funds	15, 17	121,615	193,498
Unrestricted funds	15, 17	134,645	116,741
Total funds		360,119	384,272

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

The financial statements were approved and authorised for issue by the Board on 14 December 2022.

Signed on behalf of the Board of Trustees

M Coyle

Chair of Trustees



The notes on pages 13 to 18 form part of these financial statements.

Company registration number: 4833073

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(1.1) Basis of preparation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. The financial statements are prepared in sterling which is the functional currency of the charity and rounded to the nearest £1. The financial statements are prepared on a going concern basis as the charity has sufficient funding and activity to take it through 2023.

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

(1.2) Company status

The company is limited by guarantee and has no share capital. In the event of a winding up every member undertakes to contribute such amount as may be required not exceeding the total of £1. There was one member at 30 September 2022, Shared Interest Society Ltd.

(1.3) Fund accounting

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

(1.4) Income

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

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

(1.5) Expenditure

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

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

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

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

(1.6) Interest receivable

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

(1.7) Debtors

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

(1.8) Cash at bank and in hand

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

(1.9) Creditors and provisions

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

(1.10) Financial instruments

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

(1.11) Cash flow statement

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

(1.12) Foreign currency transactions

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

(1.13) Pensions

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

NOTES TO THE FINANCIAL STATEMENTS

2. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted	Restricted	Total	Total
	funds	funds	funds	funds
	2022	2022	2022	2021
	£	£	£	£
Individuals	213,074	-	213,074	285,943
Trusts and corporate	3,960	-	3,960	4,444
	<u>217,034</u>	<u>-</u>	<u>217,034</u>	<u>290,387</u>

In 2021, of the total income from donations and legacies, £287,374 related to unrestricted funds and £3,013 related to restricted funds.

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted	Restricted	Total	Total
	funds	funds	funds	funds
	2022	2022	2022	2021
	£	£	£	£
Anonymous - Bees for Business: Supporting Growth Through Solar Energy	-	20,000	20,000	-
Anonymous - Nicaragua Sesame Farming	-	-	-	20,000
Charles Hayward Foundation - Expansion of Growing Fairer Futures Rwanda	-	15,000	15,000	-
Evan Cornish Foundation - Seed to Stall (ECF)	-	8,000	8,000	-
Guernsey Overseas Aid & Development - Bees For Business (Sideradougou)	-	-	-	22,450
Guernsey Overseas Aid & Development - Seed to Stall (GOA)	-	22,451	22,451	-
Mr TM Dickerty - Dakoro Well Construction	-	-	-	500
The Marr-Munning Trust - Coffee Farming Uganda	-	21,500	21,500	28,675
The Peter Stebbings Memorial Charity - Ghana Soilless Farming Drip Irrigation	-	6,545	6,545	-
	<u>-</u>	<u>93,496</u>	<u>93,496</u>	<u>71,625</u>

In 2021, of the total income from charitable activities, £71,625 related to restricted funds.

4. INVESTMENT INCOME

	Unrestricted	Restricted	Total	Total
	funds	funds	funds	funds
	2022	2022	2022	2021
	£	£	£	£
Interest received	755	-	755	583
	<u>755</u>	<u>-</u>	<u>755</u>	<u>583</u>

In 2021, of the total investment income, £583 related to unrestricted funds.

NOTES TO THE FINANCIAL STATEMENTS

5. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES

	Activities undertaken directly	Grant funding of activities	Support costs	Total 2022	Total 2021
	£	£	£	£	£
Bees for Business Part 2 (Burkina Faso)	-	-	-	-	10,358
Bees for Business Sideradougou	-	-	-	-	61,847
Coffee Farming Uganda	5,414	26,492	13,016	44,922	19,011
Dakoro Warehouse	2,038	500	967	3,505	2,418
Environmental Protection and Biodiversity	34,268	-	14,112	48,380	-
Growing Fairer Futures	-	-	-	-	7,229
Growing Fairer Futures Cote d'Ivoire	4,296	13,993	7,401	25,690	59,756
Growing Fairer Futures Rwanda	13,153	-	5,218	18,371	27,699
Improving Coffee Production in Peru	17,745	-	7,247	24,992	46,077
Improving Livelihoods Through Agro-processing	24,146	-	9,848	33,994	-
New projects	4,564	-	1,699	6,263	5,414
Seed to Stall ECF	3,276	2,846	2,428	8,550	-
Seed to Stall GOA	6,567	12,433	7,655	26,655	-
Soilless Farming - Drip Irrigation	2,836	2,553	2,120	7,509	-
Strengthening Coffee Producers Resilience to Climate Change	19,323	-	7,921	27,244	-
Women in Nicaragua Organic Sesame Farming	5,049	4,853	4,042	13,944	25,987
Women in Soilless Farming Ghana	23,723	-	9,634	33,357	27,309
	<u>166,398</u>	<u>63,670</u>	<u>93,308</u>	<u>323,376</u>	<u>293,105</u>

6. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

	Unrestricted funds	Restricted funds	Total funds	Total
	2022	2022	2022	2021
	£	£	£	£
Bees for Business Part 2 (Burkina Faso)	-	-	-	10,358
Bees for Business Sideradougou	-	-	-	61,847
Coffee Farming Uganda	18,430	26,492	44,922	19,011
Dakoro Warehouse	3,005	500	3,505	2,418
Environmental Protection and Biodiversity	48,380	-	48,380	-
Growing Fairer Futures	-	-	-	7,229
Growing Fairer Futures Cote d'Ivoire	11,697	13,993	25,690	59,756
Growing Fairer Futures Rwanda	18,371	-	18,371	27,699
Improving Coffee Production in Peru	24,992	-	24,992	46,077
Improving Livelihoods Through Agro-processing	33,994	-	33,994	-
New projects	6,263	-	6,263	5,414
Seed to Stall ECF	5,704	2,846	8,550	-
Seed to Stall GOA	14,222	12,433	26,655	-
Soilless Farming - Drip Irrigation	4,956	2,553	7,509	-
Strengthening Coffee Producers Resilience to Climate Change	27,244	-	27,244	-
Women in Nicaragua Organic Sesame Farming	9,091	4,853	13,944	25,987
Women in Soilless Farming Ghana	33,357	-	33,357	27,309
	<u>259,706</u>	<u>63,670</u>	<u>323,376</u>	<u>293,105</u>

In 2021, of the total expenditure, £185,689 was expenditure from unrestricted funds and £107,416 was expenditure from restricted funds.

NOTES TO THE FINANCIAL STATEMENTS

7. ANALYSIS OF RESOURCES EXPENDED BY EXPENDITURE TYPE

	Staff costs	Other costs	Total	Total
	2022	2022	2022	2021
	£	£	£	£
Expenditure on:				
Raising funds	<u>10,738</u>	<u>1,324</u>	<u>12,062</u>	<u>11,044</u>
Charitable activities				
Bees for Business Part 2 (Burkina Faso)	-	-	-	10,358
Bees for Business Sideradougou	-	-	-	61,847
Coffee Farming Uganda	7,713	37,209	44,922	19,011
Dakoro Warehouse	2,085	1,420	3,505	2,418
Environmental Protection and Biodiversity	5,467	42,913	48,380	-
Growing Fairer Futures	-	-	-	7,229
Growing Fairer Futures Cote d'Ivoire	5,715	19,975	25,690	59,756
Growing Fairer Futures Rwanda	6,316	12,055	18,371	27,699
Improving Coffee Production in Peru	4,144	20,848	24,992	46,077
Improving Livelihoods Through Agro-processing	5,909	28,085	33,994	-
New projects	4,564	1,699	6,263	5,415
Seed to Stall ECF	2,980	5,570	8,550	-
Seed to Stall GOA	6,656	19,999	26,655	-
Soilless Farming - Drip Irrigation	2,956	4,553	7,509	-
Strengthening Coffee Producers Resilience to Climate Change	3,866	23,378	27,244	-
Women in Nicaragua Organic Sesame Farming	2,327	11,617	13,944	25,986
Women in Soilless Farming Ghana	6,667	26,690	33,357	27,309
	<u>67,365</u>	<u>256,011</u>	<u>323,376</u>	<u>293,105</u>
	<u>78,103</u>	<u>257,335</u>	<u>335,438</u>	<u>304,149</u>

8. SUPPORT COSTS

	2022	2021
	£	£
Office costs including training	20,710	22,983
Wages and salaries	6,690	5,505
Support services provided by Shared Interest Society	49,718	31,697
Marketing costs	12,590	5,931
Governance costs	3,600	3,600
	<u>93,308</u>	<u>69,716</u>

9. NET INCOME / EXPENDITURE

This is stated after charging:

	2022	2021
	£	£
Auditors' remuneration (audit services)	<u>3,600</u>	<u>3,600</u>

NOTES TO THE FINANCIAL STATEMENTS

10. STAFF COSTS

Staff costs were as follows:

	2022	2021
	£	£
Wages and salaries	75,110	68,805
Social security costs	2,612	2,384
Defined contribution pension costs	2,557	2,453
	<u>80,279</u>	<u>73,642</u>

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

	2022	2021
	Number	Number
Raising funds	1	1
Charitable activities	1	1
	<u>2</u>	<u>2</u>

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

The Trustees neither received nor waived any remuneration during the year (2021: £Nil). The Trustees did not have any expenses reimbursed during the year (2021: £Nil).

11. DEBTORS AND PREPAYMENTS

	2022	2021
	£	£
Prepayments	525	1,933
Accrued income	9,686	6,163
Amounts owed from group undertakings	-	6,012
	<u>10,211</u>	<u>14,108</u>

Amounts owed to group undertakings for the previous year were repaid in full post year-end.

12. CASH AT BANK AND IN HAND

	2022	2021
	£	£
Cash at bank and in hand	276,800	268,511
	<u>276,800</u>	<u>268,511</u>

13. DEPOSITS WITH CREDIT INSTITUTIONS

	2022	2021
	£	£
Deposits repayable in not more than three months	27	27
Deposits repayable in not more than one year	109,238	108,546
	<u>109,265</u>	<u>108,573</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Amounts owed to group undertakings	25,985	-
Accruals	8,273	6,920
Trade creditors	1,899	-
	<u>36,157</u>	<u>6,920</u>

NOTES TO THE FINANCIAL STATEMENTS

15. CHARITY FUNDS

	Restricted funds	Unrestricted and designated funds	Total funds	Total funds
	2022	2022	2022	2021
	£	£	£	£
Current assets	103,859	292,417	396,276	391,192
Current liabilities	-	(36,157)	(36,157)	(6,920)
	<u>103,859</u>	<u>256,260</u>	<u>360,119</u>	<u>384,272</u>

In 2021, of current assets £74,033 was restricted and £317,159 was unrestricted and designated funds and of current liabilities £6,920 was unrestricted and designated.

16. RESTRICTED FUNDS

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

	2022	2021
	£	£
Bees for Business: Supporting Growth Through Solar Energy	20,000	-
Coffee Farming Uganda	15,076	20,067
Dakoro Warehouse	-	500
Expansion of Growing Fairer Futures Rwanda	15,000	-
Growing Fairer Futures Cote d'Ivoire	19,961	33,954
Livelihood Security Fund	7,336	7,336
Seed to Stall ECF	5,154	-
Seed to Stall GOA	10,018	-
Soilless Farming - Drip Irrigation	3,992	-
Women in Nicaragua Organic Sesame Farming	7,322	12,176
	<u>103,859</u>	<u>74,033</u>

17. MOVEMENT IN FUNDS

	Balance at 1 October 2021	Income	Expenditure	Transfer between funds	Designation of funds	Balance at 30 September 2022
	£	£	£	£	£	£
Unrestricted Income funds	116,741	217,789	(157,511)	-	(42,374)	134,645
Unrestricted designated funds	193,498	-	(114,257)	-	42,374	121,615
Restricted Income funds	74,033	93,496	(63,670)	-	-	103,859
	<u>384,272</u>	<u>311,285</u>	<u>(335,438)</u>	<u>-</u>	<u>-</u>	<u>360,119</u>

In 2021 the Trustees designated a further £114,596 to three projects which are ongoing. The Trustees have designated a further sum of £42,374 at the year-end for another project.

18. ULTIMATE PARENT COMPANY

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