

Harrogate Fairtrade Shop

(A company limited by guarantee)

Report and Financial Statements

For the Year Ending 31 December 2024

Charity number 1164801

Company number: 07097275

Report of the trustees for the year ending 31 December 2024

The trustees present their annual report together with the financial statements of the charity for the year to 31 December 2024 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes. The financial statements comply with the Charities Act 2011, the Companies Act 2006, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard 102 (effective 1 January 2015).

Structure, governance and management

The Charity is constituted as a company limited by guarantee and its governing document is its Memorandum and Articles of Association.

The charity is managed by the trustees who are also its directors for the purposes of company law. Trustees are nominated by members and elected at the annual general meeting of the company

Objects

The charity's objects, as stated in its Memorandum of Association are:

- a) The prevention or relief of poverty and the relief of suffering and distress in any part of the world.
- b) The furtherance of exclusively charitable purposes of such UK registered charities which work directly in relieving or preventing poverty, relieving financial need, hardship, suffering or distress in any part of the world as the trustees see fit.

The principle of the fair trade movement is that producers and manufacturers in developing countries receive a fair price for their products and the charity aims to achieve its first object by selling goods produced and sourced in accordance with the principles of the World Fair Trade Organisation. That this generates the public benefit of alleviating or preventing the poverty of the producers was agreed by the Charity Commission in correspondence culminating in the registration of the Charity on 10 December 2015.

While making a profit is not the primary purpose of the Charity, it is necessary that its trading is profitable in order to ensure its long-term survival. The second object allows any excess profits not required for the maintenance of the Charity's activities to be donated to other charities working in the field of the relief of poverty.

Activities

The principal activity of the company is the sale of fair trade goods through its shop in a porch of St Peter's Church in the centre of Harrogate.

The shop is staffed by volunteers, some of whom are members and some of whom are trustees. All volunteers are invited and encouraged to become voting members at no cost. The volunteers are organised by our shop manager who is supported by an assistant, both of whom are paid and work part-time.

Fair trade goods are also sold by members and others through stalls in local churches, schools etc. Apart from the income stalls generate, they are of course a useful way of raising awareness of fair trade. Alongside this, one of our trustees and a small team of volunteers have undertaken outreach work with churches, schools and community groups, with support from our Outreach Reserve fund.

Since 2020 our goods have been sold via an online platform. The website currently generates only a small amount of income although there is evidence of growth and while it has yet to cover costs, the online shop functions effectively as a means of displaying our goods and principles to a wider audience.

The only source of income of the Charity is the sale of fair trade goods as described above. Donations are not sought and any donations made by customers in the small collecting box in the shop, and occasionally by other persons, are passed directly to Transform Trade (formerly Traidcraft Exchange), a charity registered in England and Wales. An exception to this is that the outreach work of one of the trustees has occasionally generated donations which have been added to the Outreach Reserve.

Similarly, none of the goods sold are donated, as is the case with the majority of “charity shops” and the main expense of the trade is the purchase of goods for resale. It is actually the purchase of fair trade goods from the producers, rather than the sale, which generates the public benefit but of course the enterprise would not continue very long if the purchased goods were not sold to the public to provide fresh working capital to buy new stock.

Financial Review

Sales having exceeded the threshold for VAT registration in 2022, the requirement to account for and pay VAT has eaten up almost all of the net profit for the two subsequent years with the result that it has not been possible to make a donation of excess profits or to add to our deposit with the Shared Interest Society previously. As noted above however, our primary object is to sell fair trade goods on behalf of the producers, so although we strive to maximise our sales, this small net profit currently allows us to remain viable and continue to meet that objective.

The requirement to account for VAT on our sales means that, in accordance with standard accounting practice, the figures in the accounts (principally purchases and sales) must be shown net of VAT. So, although the accounts show total sales of £70303, the actual amount received from customers was £90985. This compares with £94194 for 2023, the fall arising from the continued decline of sales through stalls. Shop sales remained level and online sales increased very slightly as can be seen from the net figures in the trading account.

Reserves

Outreach Reserve

The Harrogate Borough Fair Trade Group was wound up during 2023 and transferred its remaining funds to HFTS to be used to promote Fair Trade locally. This has now been designated as the Outreach Reserve in order to ring fence these funds and occasional unsolicited donations are added to the reserve.

Business Development Reserve

This is our investment with the Shared Interest Society, which uses the deposits of its members to provide loans and credit facilities to fair trade producers to fund plants, materials, equipment and training.

This deposit thus fulfils the purpose of applying our surplus funds to benefit fair trade producers while remaining available should an opportunity be found to expand our business activities in the future. It should be noted however that the deposit is not covered by the Financial Services Compensation Scheme (FSCS) and is therefore at risk.

General Reserve

The general reserve is the bulk of accumulated profits and is represented by the remaining net current assets including the bank current accounts and stock. It is necessary to retain these reserves to ensure continuity of trading through the quiet first nine months of the year when funds are always run down and to provide sufficient liquidity to enable restocking prior to the opening of the Christmas Shop in early October. Approximately 60% of sales and all the annual profit is generated in the period leading up to Christmas.

In view of the very small profit this year, the trustees propose that no transfer be made to the Shared Interest account / Business Development Reserve.

Reference and Administrative details

Charity name: Harrogate Fairtrade Shop
Registered charity number: 1164801
Registered company number: 07097275
Registered office: Community House
46 – 50 East Parade
Harrogate
HG1 5RR

Directors and trustees

The directors of the charitable company (the charity) are its trustees for the purpose of charity law. The trustees and officers serving during the year and since the year end were as follows:

Dr Gillian Parkin Chair

Diane Maguire

Roger Elliott

Zoe Robinson

James David Kinbar Robinson Appointed 21/12/2024

None of the trustees receive remuneration or other benefits from their work with the charity.

This report has been approved by the trustees and is signed on their behalf



Dr Gillian Parkin
Chair

HARROGATE FAIRTRADE SHOP

Company limited by guarantee No 07097275

Charity No 1164801

BALANCE SHEET AT 31 DECEMBER 2024

	31 December 2024	31 December 2023	
Fixed Assets			
Computer and Till Equipment	180	250	
Fixtures & Fittings	120 300	170 420	
Current Assets			
Cash at Bank Co-operative Bank	17630	24932	
Cash at Bank CAF Bank	14082	9961	
Cash at Bank Shared Interest Society	18748	18736	
Cash in Hand	304	222	
Stock	22000	22000	
Debtors and prepayments	7386 80150	470 76321	
Current Liabilities			
Creditors and Accruals	-9473	-6019	
Net Assets	70977	70722	
Reserves			
Outreach Reserve	1439	1511	Note 1
Business Development Reserve	18748	18736	Note 2
General Reserve	50790	50475	
	70977	70722	

Note 1 The Harrogate Borough Fair Trade Group was wound up during 2023 and transferred its remaining funds to HFTS to be used to promote Fair Trade locally. This has now been designated as the Outreach Reserve in order to ringfence these funds and occasional unsolicited donations are added to the reserve.

Note 2 The Shared Interest account is identified as our Business Development Reserve. The only movement in the year was the credit of a small amount of interest

HARROGATE FAIRTRADE SHOP
Company limited by guarantee No 07097275
Charity No 1164801

TRADING & PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31st DECEMBER 2024

	Year to 31/12/2024	Year to 31/12/2023
Shop sales (card)	62147	61980
Shop sales (cash)	12536 74683	12663 74643
Online sales	1655	1346
Stalls etc	1668	4220
Total Sales	78006	80209
Cost of Sales	39236	43189
Gross profit	38770	37020
Employee costs	26105	26072
Rent & Rates	6260	5916
Credit Card Fees (Shop)	1095	1110
Online sales expenses	326	613
Electricity	914	741
Music licences	414	382
Insurance	304	305
BAFTS Conference	146	344
WiFi charges	270	270
Consumables and Sundries	277	254
Subscriptions & fees	163	195
Bank charges	119	121
Window cleaning	120	104
Recycling charges	80	86
Refreshments	151	73
Transport of Stock	290	57
Printing & Stationery	86	51
Email Accounts	256	20
Small equipment purchase & repair	229	0
Shop front refurbishment	752	0
Depreciation	120 38477	140 36854
Net Profit / Loss	293	166

PROFIT AND LOSS ACCOUNT

Balance b/f	50475	58010
Profit / Loss for the year	293	166
Interest	34	42
To Business Development Reserve	-13	-7006
Donation Christmas Card profit	0	-737
Balance c/f	50790	50475

Independent Examiner's Report to the Trustees of Harrogate Fairtrade Shop ('the Company')

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 December 2024, as set out on pages 6 to 8 of your report.

Responsibilities and basis of report

As the charity's trustees (who are also the directors of the Company for the purposes of company law), you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ("the 2006 Act").

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ("the 2011 Act"). In carrying out my examination, I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Company as required by section 386 of the Companies Act 2006; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with relevant accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Charities SORP (FRS102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Signed:



Date: 27/3/2025

R. W. MAMMOTT F.C.A.