

# QR

QUARTERLY RETURN 106  
WINTER 2017/18

## A THRIVING CROP WITH A SOCIAL BENEFIT

### FROM SUPERFRUIT TO SUPER FRUITFUL

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### DRIVEN BY PASSION IN HARMONY WITH NATURE

This vanilla, cocoa and chilli co-operative is working with over 600 producers in East Africa through times of economic instability and unrest.

### FAIR FOR LIFE

Fair for Life promotes a fair trade approach that allows all producers and workers to access a wider range of social and economic benefits.

**SHAREDINTEREST**  
INVESTING IN A FAIRER WORLD





# WELCOME

Happy New Year to you all and I hope you all enjoyed the festive period. We were delighted to receive such a positive response to our Christmas card and I would like to take this opportunity to thank everyone for investing in Shared Interest.

Demand for our lending is higher than ever, with overall payments increasing by 9% last year, and additional investment will help us to reach more producers like Prager in Mexico. The state of Michoacán, where Prager is based, produces 80% of Mexican avocados, and your investment has helped them export their fruit to Canada and the USA thanks to a credit facility.

More new lending features in this edition with sesame seed producer, Coproexnic in Nicaragua. There is also an update on long-standing customer, Gourmet Gardens, a co-operative in Uganda producing the hottest chillies in the world, alongside vanilla, and cocoa.

For an update on our activity here in the UK, read on the page opposite about us seeking your involvement in our Strategic Review and the supporter events we are holding this year, where we hope to meet with as many of you as possible.

Thank you once again for your continued support in 2017 and all the best for the coming year.

Patricia Alexander (MD)



The UK Social Enterprise Awards recognise businesses that give back, enrich communities and make a contribution to society, as well as those who lead them – the social entrepreneurs who use their business acumen to make a real difference, tackling social and environmental problems both in Britain and abroad.

We were delighted to be announced winners in the International Impact category at the ceremony in London in November, last year.

## WAYS TO INVEST

Did you know there are a number of ways you can top up your Share Account? (The maximum investment is £100,000).

You can add money in the following ways:

### BANK TRANSFER

If you have access to online banking, you can transfer funds directly to your Share Account. All you need is our bank account number 70062793 and sort code 08-90-06.

### STANDING ORDER

To set up a standing order with your bank, all you need is our bank account number 70062793 and sort code 08-90-06.

\*Don't forget to use your ten-digit Share Account number as a reference.

### CHEQUE

You can make further investments into your account using a cheque in two ways. You can take the Bank Giro Credit Slip at the bottom of your statement, along with your cheque, to your bank. Alternatively, you can send cheques directly to our Newcastle office. Cheques sent directly to us must have your ten-digit Share Account number written on the back. All cheques should be made payable to: Shared Interest Society Ltd.

### ONLINE DEBIT CARD INVESTMENT

If you are registered for our online member portal, you can make investments using your debit card. If you are not registered and would like more information, please get in touch with our membership team at [membership@shared-interest.com](mailto:membership@shared-interest.com) or call 0191 233 9102.

# DATES FOR THE DIARY

This year our AGM will be held on Friday 9 March 2018 at the Northern Design Centre, on the banks of the Tyne. We invite you all to join us in our home region. Your voting card and AGM booklet are enclosed.

## FAIRTRADE FORTNIGHT

Monday 26 February - Sunday 11 March 2018

"We need to stand with farmers to close the door on exploitation, and welcome more people into Fairtrade", is the message from the Fairtrade Foundation ahead of this year's Fairtrade Fortnight.

"It's a scandalous reality that millions of farmers and workers are still being ripped off despite working hard to provide the products we love. Unfairness in global trade is rooted in centuries of exploitation.

"Yet across the globe hard-working producers are unravelling this legacy. They're fighting for a fair deal, supported by Fairtrade, earning their way out of poverty and transforming their communities." – Fairtrade Foundation

Shared Interest is supporting the campaign by encouraging our staff, stakeholders and supporters to buy Fairtrade. Our volunteers will also be getting involved, attending a range of events across the UK.

## UPCOMING MEMBER EVENTS

We would love to see you at one of the below events. Your spring edition of QR will include a Member Invite for you to complete but in the meantime, please make a note of the dates in your diary. This is your chance to meet staff, together with members of our Board and Council.

Date	Venue	Location
Friday 9 March	The Design Centre	Gateshead
Friday 18 May	King's College	London
Thursday 24 May	Friends Meeting House	Manchester
Thursday 14 June	St Andrew's and St George's West Church	Edinburgh
Friday 22 June	M Shed	Bristol

## STRATEGIC REVIEW

As mentioned in the last issue of QR, we have embarked upon our Strategic Review, and value hearing your thoughts and opinions as an integral part of the process. We have enclosed a members' survey to garner your opinion on the key topics we are considering.

If you would prefer to complete the survey online please get in touch and we will send you a link.

Contact our Membership Engagement Team on 0191 233 9102 or at [membership@shared-interest.com](mailto:membership@shared-interest.com)



# FROM SUPERFRUIT TO SUPER FRUITFUL

The avocado is an Aztec symbol of love and fertility.

Avocados grow in pairs, and need other avocado trees close by to bear fruit.

Hass trees are harvested gently by carefully cutting the stem and using a pole pruner to pick those above arm's reach.

The fruit is packed in crates, which are whisked to packing plants as soon as possible—once the avocado is plucked from the tree, it starts to ripen.



**If you are eating an avocado today there is an eight out of ten chance it is a Hass. This is because 80% of the avocados eaten worldwide are Hass avocados.**

Mexico is responsible for half of the world's avocado production. This large market share is supported by the capacity to supply avocados all year round.

Pragor is a small producers' co-operative recently approved with a credit facility from Shared Interest. Pragor's home state, Michoacán, produces 80% of Mexican avocados.

Seventeen farmers founded Pragor in 2011. Once working independently to provide their produce to a local exporter, they now collectively grow fair trade and organic Hass avocados for export to Canada and the USA.

Worldwide demand for this nutritious fruit, rich in natural oils, has increased in recent years, due to its popularity in healthy recipes. The UK market is also part of this avocado boom.

Pragor predicts annual sales will increase this crop to \$5.5 million. For this reason, the group approached Shared Interest to obtain additional

working capital to enable them to reach these sales and improve the payment conditions for their producers. The lack of working capital means that they are only able to pay on time for half the production from their producers, leaving the farmers uncertain when the remainder will be paid.

General Manager, Salvador Romero said: "Our avocado production is able to meet the export demand in the coming years, but this increasing global demand has put pressure on our cash flow. We also have to plan the fact that avocados have a biennial harvest similar to coffee, in the sense that a small crop is followed by a large crop the following year, the latter is expected for the current 2017/18 crop."

Michoacán has featured heavily in news reports due to its drug cartels and gangs. However, it also has the ideal conditions for avocado production and the current harvest up until May 2018 is expected to be one of the largest in history for Pragor.

Marco García, our Regional Representative based in Costa Rica,

recently met Pragor in Morelia, the capital of Michoacán. Marco said: "Pragor has a robust and quality production. Social impact levels are high, thanks to the investment made by the co-operative in staff training and good agricultural practices. They also donate to a local school and help the disadvantaged children in nearby neighbourhoods. Just the fact that Pragor exists means that rural families are able to earn an honest and fair living, instead of being led into the gangs that operate within the local community."

Pragor plans to expand further. They even hope to build their own packaging plant in a couple of years. Therefore, they are very grateful to Shared Interest for the support provided. Pragor's Financial Officer, and avocado producer, Ana Luisa Vallejo, said:

**"We want to extend a special thanks to Shared Interest investors for believing in Fairtrade and in our group of small farmers. Working with buyers, financiers and organisations aligned with the Fairtrade network really makes us feel comfortable and valued."**





# A THRIVING CROP WITH A SOCIAL BENEFIT

**Domesticated over 3,000 years ago, the sesame seed is one of the oldest oilseed crops, with one of the highest oil contents of any seed. With a rich, nutty flavour, it is a common healthy ingredient in cuisines across the world.**

This nutritious grain grows well in Nicaragua; in fact, Nicaragua's sesame is one of the best in the world. The seeds are tolerant to drought-like conditions, which are prevalent in the region, making it an ideal location for sesame producers.

In the North Pacific region of Nicaragua lies Coproexnic, a small co-operative with the goal to improve the lives of thousands of sesame seed and peanut producers. Shared Interest is supporting them in this journey by providing a loan to allow the trade of sesame seeds.

Established in 1994, Coproexnic is the largest exporter of organic processed sesame seeds in Nicaragua. They are a strong co-operative serving 2,000 farmers in 12 different communities; 56% of these farmers are women.

Sesame cultivation is appealing for small co-operatives and producers like Coproexnic as it does not demand large amounts of pesticides and nutrients, making it one of the cheapest in terms of investment costs.

Coproexnic is dedicated to improving the skills of their producers, offering them training in areas such as productivity, best practices, fertilisers, plague control, product safety and occupational health. Nevertheless, the major benefit Coproexnic provides to their producers is allowing them to sell their agricultural products at considerably higher prices than those of the local market; 40% higher in the case of sesame seeds and 45% higher for peanuts.

General Manager, Su-lin Meyrat, said: "The opportunity that Shared Interest has given us has allowed our co-operative of small producers to streamline the purchase and collection of sesame seeds and increase the satisfaction of the producers for instantly receiving their payment at delivery. All this will impact positively in the efficiency and effectiveness of our processes, allowing us to fulfil the expectations of our clients."

**"We would like to thank the investors on behalf of Coproexnic and its producers for the support and trust you have given us. We are a small co-operative fighting for the social benefit of our producers' families. Therefore, we hope to have the opportunity to continue working with Shared Interest in the future."**

In our 2014 Strategic Review, we committed to widen our impact by lending to producers who are not yet Fairtrade certified. Although Coproexnic are not certified, they comply with Fairtrade principles thus helping us achieve this objective to reach more disadvantaged producers across the world.



# SOCIAL ACCOUNTS

Each year we compile a set of externally audited Social Accounts, which detail our social, economic and environmental impact.

The full document is available to download on our website at: [www.shared-interest.com/impact-report](http://www.shared-interest.com/impact-report)

## OUR MISSION

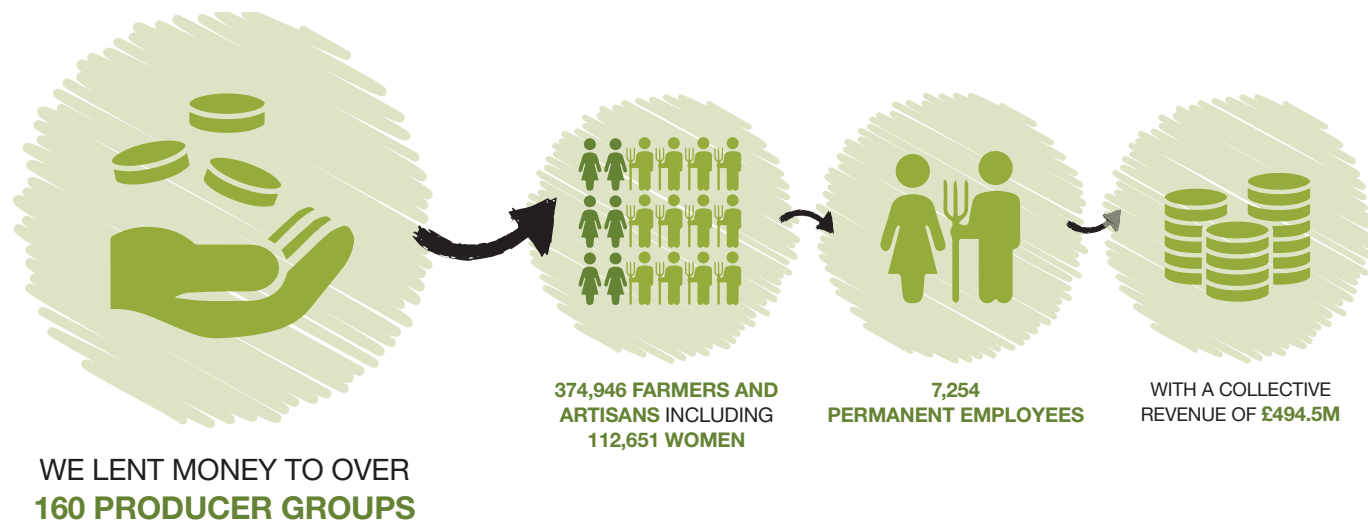
**Our mission is to provide financial services and business support to make livelihoods and living standards better for people as they trade their way out of poverty.**

**We work collaboratively and innovatively with those who share our commitment to fair and just trade. With a community of investors and the support of donors and volunteers, we seek to contribute to a world where justice is at the heart of trade finance.**

We bring together 11,509 individuals to achieve a common goal, pooling their £39.4 million of investments. We then use these funds to provide loans and credit facilities. With members each investing between £100 and £100,000, we are able to lend money directly to businesses across the world.

This year our lending continued to increase. We supported over 160 producer groups, helping almost 375,000 individuals in 60 countries, 30% of which were women.

## IN 2017...



## LATIN AMERICA

Latin America has experienced significant transformation over the past 15 years but, despite this, the World Bank estimates that 11% of the population still lives in extreme poverty. Payments made to producers in this region totalled £28.4 million, 73% of the total payments sent by Shared Interest across all producer groups.

## NORTHERN HEMISPHERE & PACIFIC RIM

This region consists mainly of buyer organisations in North America and Europe with a small proportion of producers in Asia.

Of the funds lent to buyers, 89% are used to pre-finance orders and Shared Interest is one of the few social lenders to provide credit facilities to buyer organisations in the Northern Hemisphere. Without these buyer organisations, many producer groups would have limited market access.

## AFRICA

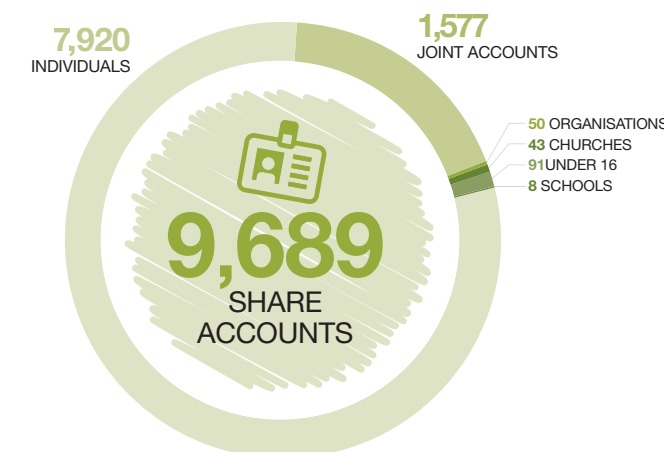
Half of the world's poorest people, living on less than USD 2.50 a day live in Sub-Saharan Africa.\* We feel that our work in Africa is vital and we know that we work in many areas where other social lenders are reluctant to operate.

Of the total 160 producer groups we work with, 47% are based in Africa and this represents 318,095 individuals (31% are women) out of the total of 374,946 people impacted by Shared Interest.

## OUR MEMBERS

We are able to achieve this impact because of the support of our loyal membership. Every £1 invested by members this year was lent 1.6 times.

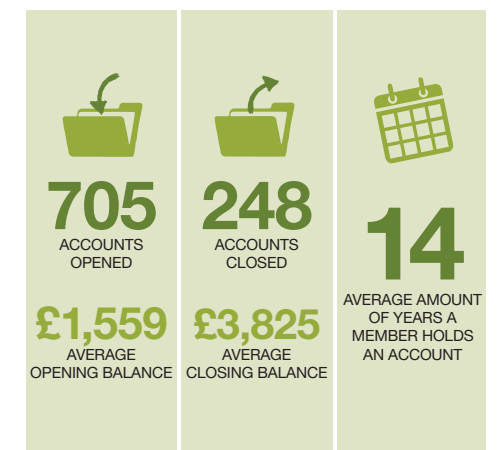
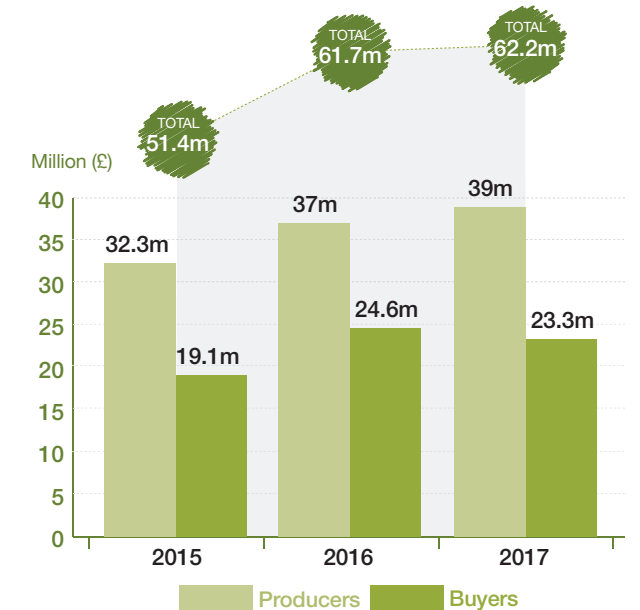
In our strategy we pledged to reach £40 million in Share Capital by 2020 and with the total already standing at £39.4 million we are likely to hit our target next year. The number of investors has also been increasing and we have seen a high growth in new Share Accounts this year bringing the total to 9,689.



## OUR LENDING

Overall payments to customers also increased by 9% this year. 95% of payments were made in other currencies and predominantly USD and EUR, fluctuations in exchange rates therefore have a significant impact

## TOTAL PAYMENTS MADE



## SHARE CAPITAL

NET INCREASE IN SHARE CAPITAL: £2.93 million



\*worldbank.org/en/region



I got involved with Shared Interest through a member of Enfield Fair Trade group in 2010. My interest in Fair Trade led me to Enfield Fair Trade events with Enfield Rotary Club Autumn shows. This gave me the opportunity to talk to people who came to the event and find out more about raising awareness of fair trade.

After working in the nursing profession, supporting vulnerable people, I felt I could use this skill to help producers in developing countries.

In 2011, I started with a basic investment in Shared Interest, and got involved as an ambassador, which helped me gain an insight into the work of Shared Interest. I am eager to support the organisation to raise awareness of its aims and mission.

As my involvement with Shared Interest has grown, I decided to apply for a Council position, and was pleased to be elected, by ballot, in March 2016. I am delighted to find myself in this position and will do my best to support Shared Interest to fulfil its goal. I will continue with my ambassadorial role to spread the word of Shared Interest, so that our membership grows with investment beyond £39.4 million.

One event that really struck me was the London Regional event at the Quaker's Meeting House on 30 June 2017. It was well attended, and interesting to see and hear from people who spoke about how our investments are changing the lives of farmers and artisans globally. At the event, I spoke to a non-member who told me that she found out about the event by doing a search on Google, and decided to come along. She subsequently said that she would like to be a member and investor. This shows the importance of spreading the word online. One member at the event challenged us to advertise more widely as it would attract more members, and subsequently enable us to reach out to more customers, seeking to access our funds to improve their products. I hope Shared Interest will take this suggestion on board.

To conclude, I would like all who have money to spare and time to consider doing something profitable for Shared Interest, by getting involved to show humanity that it is better to help vulnerable producers in the global South to trade their way out of poverty.

Thank you.

**Ben Quashie**  
Member of Council



# DRIVEN BY PASSION IN HARMONY WITH NATURE



Some of you may remember Gourmet Gardens as featured in QR back in 2012. This vanilla, cocoa and chilli co-operative is working with over 600 producers in Uganda and the Democratic Republic of Congo (DRC), through times of economic instability and unrest. We are pleased to bring you an update on the co-operative and how they are dealing with the challenges they face.

Gourmet Gardens have been a Shared Interest customer for seven years, receiving loans to finance their harvesting and processing, to assist them in trading vanilla and also to meet increased demand from buyers.

Political insecurity remains a threat in DRC, therefore hindering production and as a result Gourmet Gardens was forced to stop working in the Kamango region. However, operations in Mutwanga continue and after more training for members on good agricultural practices, production has increased.

In 2012, the challenge was with the delays in establishing the cocoa processing stations in the DRC, due to security problems. As a result, the cocoa produced was of inadequate quality, which

complicated sales and affected margins. Moreover, as they had a substantially bigger vanilla harvest than anticipated, this resulted in renewed cash flow problems when buying.

Operations Manager at the time, Dr Clemens Fehr, said: "The Eastern Democratic Republic of Congo is not an easy place to work. Being land-locked, businesses face the challenge of high transport costs. The situation is aggravated by a long and devastating civil war. Furthermore, there is little trust in the country and its financial institutions. Establishing and running an organic and Fairtrade certified farmer group within such a context is challenging."

However, Shared Interest has worked with Gourmet Gardens through times of hardship to overcome these challenges. One of the main challenges remains unemployment in DRC. In co-operation with the farmer group, Gourmet Gardens invested the Fair for Life premium into a savings account in DRC and used this to cater for school fees of farmers' children and for medical emergencies. In Uganda, the Fair for Life premium was used to pay cash to the farmers at the time of purchase.

Dr Clemens told us recently: "We have expanded our production and now have two production centres in Uganda and another will be built soon, all with "appropriate technology". Basically, they are local mud houses, the floor is slated or wooden to allow for air movement and drainage. Walls and ceiling are covered with greenhouse plastic and local thatch to provide insulation."

"We are very happy to have Shared Interest working with us for so many years. In the past they stood with us through difficult times, more recently they have enabled us to grow further and to expand the outgrower scheme. In early 2018, we will shift our activities to a new factory, which is under construction near the river Nile.

"We are particularly proud that our cocoa is now used by some well-known chocolate makers like Blanxart in Spain, Georgia Ramon in Germany, A. Marin in France and Vanilla Bean in Japan. Similarly, our vanilla is found in the raw food chocolates of Lovechock from the Netherlands and Lifefood in the Czech Republic and in ice creams of Hansen Is and Social Food in Denmark.

"We want to expand direct marketing. It helps to add a lot of value to our vanilla and cocoa. As a result, we are in a position to pay better prices to farmers than most of our competitors. We are confident that by next year a premium big chocolate maker in St. Petersburg in Russia will have joined us."

## FAIR FOR LIFE

**Fair For Life (FFL) promotes a fair trade approach that allows all producers and workers, who are at a socio-economic disadvantage, to access a wider range of social and economic benefits.**

There are two labelling categories in Fair for Life, depending on the Fairtrade content:

- 1) Products containing a high content of fair trade ingredients (for example, for food: at least 80% of all agricultural ingredients) can use the FFL seal on the principal display panel and can be labelled as 'Fair trade'.
- 2) Products containing a lower content of fair trade ingredients (for example, for food: between 20 and 80% of all agricultural ingredients) can normally not use the FFL seal on the principal display panel and must be labelled as 'Made with fair trade ingredients'.

In order to carry the FFL certification organisations must always indicate the percentage of Fairtrade content on their packaging.





Quarterly Return is the newsletter of Shared Interest Society. Shared Interest Society Ltd is a fair trade lending organisation which is a member of Co-operatives UK. It uses the pooled investments of its members in the UK to affect real and lasting improvements to people's lives in the developing world.

Shared Interest Society Ltd is registered with the Registrar of Mutual Societies, number 27093R. The Directors decide on what the interest rate payable to members will be. The interest rate since 1 October 2017 has been 0%.

#### CONTACT US

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**SHAREDINTEREST**  
INVESTING IN A FAIRER WORLD



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# Welcome



**I am proud to introduce our Annual Review of both Shared Interest Society and for Foundation.**

Financially and politically, it has been a turbulent year, with fluctuating exchange rates and market uncertainty following Britain's decision to leave the EU. However, I am pleased to report that we have made considerable progress in achieving the goals set out in our 2014 Strategic Review. Our lending continues to increase and this year we supported over 397 organisations, helping almost 375,000 individuals in 60 countries, 30% of which were women.

Our charitable arm, Shared Interest Foundation also completed a strategic review, which identified a key focus on training to support producers by strengthening their governance and financial knowledge. This year, 517 organisations benefited from their training.

We have also begun to link our activities to the Sustainable Development Goals (SDGs) to combat poverty and achieve sustainable development.

This success would not have been possible without the passion and commitment of our members, staff and volunteers; a huge thank you to everyone involved.

**Mary Coyle, Chair**

## 2017

**Our Share Capital reached £39.4m**

## OUR MISSION AND VALUES

Our mission is to provide financial services and business support to make livelihoods and living standards better for people as they trade their way out of poverty. We work collaboratively and innovatively with those who share our commitment to fair and just trade.

With a community of investors and the support of donors and volunteers, we seek to contribute to a world where justice is at the heart of trade finance.

We will conduct our business in a manner, which reflects the principles of love, justice and stewardship.

We will:

- Work co-operatively with our members as we take and share risk
- Value and engage our donors and supporters
- Encourage the commitment, talents and energy of our staff in an environment of mutual respect
- Work collaboratively and innovatively with those who share our commitment to fair and just trade
- Work to recognised fair trade standards
- Respect the diversity of different cultures
- Place partnership at the heart of what we do

## OUR INVESTORS

Our membership continues to diversify and includes faith groups, fair trade partnerships, small businesses, schools and community organisations as well as individuals. In total there are 11,509 individuals named on Share Accounts. Overall we saw a net increase of 457 compared to the increase in the previous year of 187 Share Accounts.

**“This is a hugely positive way to make a real difference around the world.”**

Inverclyde Council

## OUR LENDING

By connecting smallholder farmers and artisans to commercial markets, our lending has the opportunity to help provide employment to rural populations. By supporting these businesses, we can generate sustainable economic growth for households and communities.

With regional offices in Costa Rica, Ghana, Kenya and Peru, we have developed our understanding of the communities we work with. Overall lending increased over the year with payments totalling £62.2m and 63% of these were lent directly to producers.

The types of products our lending supports has continued to diversify and this has helped us reach more producers requiring finance.

We say to our investors:

**“Your investment may not make you rich but it will enrich the lives of others.”**

^ Front Page Image: Acopagro is a Fairtrade co-operative based in Peru.

< Coproexnic is a sesame seed producer group based in Nicaragua.



# Financial Review

The 2016-17 financial year saw total income static but that hides a strong performance in lending income, which grew by over 10% whilst deposit income fell by two-thirds. This is a trend that we have been experiencing over recent years. The amount lent to customers remained high at the year-end at just under £30m. All these figures are influenced by the continuing weak Pound Sterling which spent most of the year in the range 1.25 to 1.30 in relation to the US Dollar, our key foreign currency.

We completed a move of banking partner from the Co-operative Bank to Santander. Whilst this has reduced still further the amount of bank interest which we earn, this was to some extent set-off by the lower margin charged by Santander to borrow foreign currency and this has helped us to keep finance costs at a lower level than last year. Operating costs for the Society increased by inflation – a good achievement in a year where the full-year effect of the weaker pound put pressure on our costs of operating overseas. With bad debt costs returning to more “normal” levels, the result before interest to members is a small surplus of £48k, however we do intend still to pay interest at 0.25% to members for the year as this rate was in force throughout. This decision needs to be ratified at the AGM before accounts are credited.

The overall financial position of the Society remains very strong with another good year of growth in member capital. In addition to specific provisions against doubtful accounts which are cumulatively £4.5m, we have reserves from previous years' surpluses, totalling over £1.4m.

## 2017

We lent money to  
160 producer groups,  
representing 374,946  
individuals, including  
112,651 women

	2015 £'000	2016 £'000	2017 £'000
<b>STATEMENT OF 2017 COMPREHENSIVE INCOME</b>			
Credit charges	2,164	2,653	2,928
Bank deposit interest	683	450	147
Other	77	55	89
<b>Total</b>	<b>2,924</b>	<b>3,158</b>	<b>3,164</b>
<b>Finance Costs</b>			
Provision for doubtful debts	(457)	(1,212)	(664)
Operating costs	(2,013)	(1,985)	(2,025)
Corporation Tax	5	(5)	-
Profit before members' interest and donation	197	(547)	48
Members' interest	(110)	(122)	(72)
Donation	-	-	-
£/\$ Exchange rate at the year-end	1.51	1.29	1.34
<b>BALANCE SHEET 2017</b>			
Tangible fixed assets	35	150	153
Investments	95	118	115
Lent to customers	24,933	30,763	29,918
Cash and deposits	38,827	41,668	40,821
Debtors	381	340	90
Loans owed to the bank/overdrafts	(27,125)	(34,299)	(29,501)
Other creditors < 1 year	(649)	(739)	(521)
Other creditors > 1 year	(975)	-	(214)
<b>Total</b>	<b>35,522</b>	<b>38,001</b>	<b>40,861</b>
<b>Capital</b>			
Reserve for lending loss	766	-	-
Proposed share interest	116	121	70
Proposed donation to Shared Interest Foundation	-	-	-
Profit and Loss	1,351	1,448	1,424
<b>Total</b>	<b>35,522</b>	<b>38,001</b>	<b>40,861</b>

The summary of the financial statements above is an extract of the full audited financial statements for the Society, which are available on request from the Company Secretary or can be downloaded from our website.

The figures are for the Society only and we have not shown here the combined result ("Consolidation") with Shared Interest Foundation.

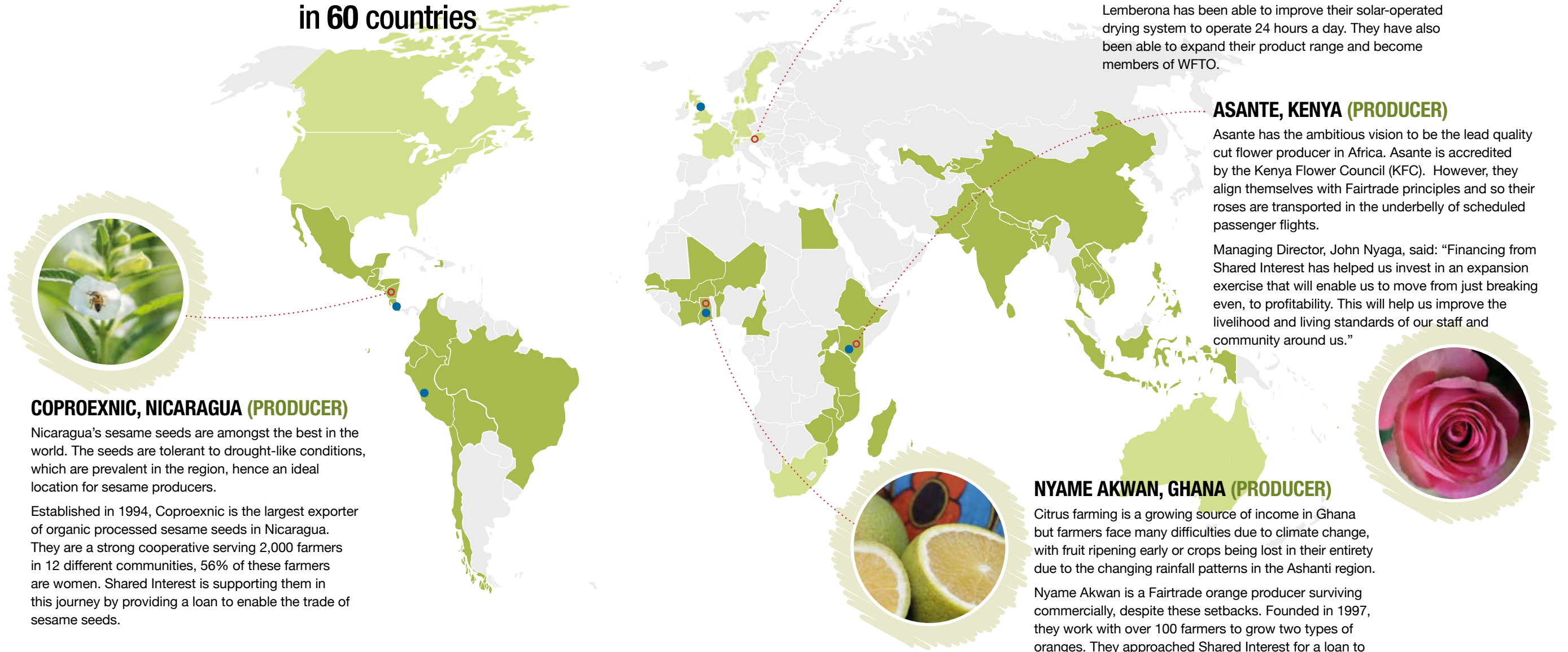
The majority of our lending and overseas payments are made in USD thus the exchange rate with sterling has a significant impact on the year end figures.



# Global Reach

**2017**

**We made payments to 397 organisations in 60 countries**



## COPROEXNIC, NICARAGUA (PRODUCER)

Nicaragua's sesame seeds are amongst the best in the world. The seeds are tolerant to drought-like conditions, which are prevalent in the region, hence an ideal location for sesame producers.

Established in 1994, Coproexnic is the largest exporter of organic processed sesame seeds in Nicaragua. They are a strong cooperative serving 2,000 farmers in 12 different communities, 56% of these farmers are women. Shared Interest is supporting them in this journey by providing a loan to enable the trade of sesame seeds.



## LEMBERONA, AUSTRIA (BUYER)

With the majority of their producers based in Uzbekistan, working with Lemberona gives Shared Interest the chance to reach producers in a country where providing direct finance is not possible.

Lemberona enables farmers to sell their products internationally, offering a higher value than trading locally, consequently supporting the livelihoods of more than 10,000 people. Since working with Shared Interest, Lemberona has been able to improve their solar-operated drying system to operate 24 hours a day. They have also been able to expand their product range and become members of WFTO.

## ASANTE, KENYA (PRODUCER)

Asante has the ambitious vision to be the lead quality cut flower producer in Africa. Asante is accredited by the Kenya Flower Council (KFC). However, they align themselves with Fairtrade principles and so their roses are transported in the underbelly of scheduled passenger flights.

Managing Director, John Nyaga, said: "Financing from Shared Interest has helped us invest in an expansion exercise that will enable us to move from just breaking even, to profitability. This will help us improve the livelihood and living standards of our staff and community around us."



## NYAME AKWAN, GHANA (PRODUCER)

Citrus farming is a growing source of income in Ghana but farmers face many difficulties due to climate change, with fruit ripening early or crops being lost in their entirety due to the changing rainfall patterns in the Ashanti region.

Nyame Akwan is a Fairtrade orange producer surviving commercially, despite these setbacks. Founded in 1997, they work with over 100 farmers to grow two types of oranges. They approached Shared Interest for a loan to purchase fertilisers for farmers and ultimately increased production volumes. Subsequently, they helped reduced fruit loss from 40% to only 10%.







## SHAREDINTEREST FOUNDATION

**Shared Interest Foundation changes lives across the globe by helping people to cultivate resilient businesses and break the cycle of poverty.**

**We do this by providing business support to make livelihoods and living standards better for people as they trade their way out of poverty.**

### WHERE WE WORK

## Swaziland

With the support of Comic Relief, we began providing business training for the handcraft sector in 2010. We helped establish a business network known as SWIFT (Swaziland International Fair Trade), which has a board of experienced leaders from the local community.

We are now coming to the end of a four-year project. The main objective is to contribute to the alleviation of poverty and social deprivation in Swaziland through supporting enterprise development to create economic opportunities.

**“Thank you to your donors for funding SWIFT. We appreciate the tremendous work they are doing in improving our lives and our businesses.”**

Artisan Upholstery & Furniture Experts, Level 0 business

## Rwanda

We have now completed our two-year project in Rwanda, working with handcraft co-operatives to increase their sales and become more sustainable.

Agnes Nyiransengimana was a smallholder farmer but her income wasn't enough to meet the needs of her family. She has now become a basket weaver and member of the Covamu co-operative.

Thanks to the support of Shared Interest Foundation, RWAFAT have trained her to improve the quality of her products and to better manage her business. She now earns more income from basket weaving and she is able to provide the basic needs of her household.

## Malawi

This year we began a three-year programme with the Malawi Fairtrade Network (MFTN), which focuses on increasing the income of 16,000 Fairtrade tea farmers. We will also enable over 20,000 groundnut farmers, and over 400 macadamia farmers to sell their products via the fair trade market.

We hope to help MFTN become more sustainable as a support organisation, and ensure there is an adequate level of local support available beyond the life of the project.





## Using Money Wisely

Shared Interest Foundation receives grants from donor organisations such as Comic Relief, which enable us to deliver our larger projects. Over the last seven years these funds account for around half of our income, with the balance coming from the generous donations of individuals, groups, trusts and legacies. These donations are vital as they allow us to develop and grow new projects based on robust needs analysis.

In 2017, we received support from the following trusts and organisations and we would like to thank them for their contribution to our achievements this year:

Ashworth Charitable Trust  
CB and HH Taylor 1984 Trust  
Charles Hayward Foundation

Comic Relief  
Souter Charitable Trust  
St Mary's Charity

### INCOME AND EXPENDITURE

	Year ended 30 September 2017			Year ended 30 September 2016		
	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds £'000	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds £'000
Donations & grants	149	106	255	101	137	238
Interest income	1	-	1	-	-	-
<b>Total income</b>	<b>150</b>	<b>106</b>	<b>256</b>	<b>101</b>	<b>137</b>	<b>238</b>
Cost of fundraising	12	-	12	28	-	28
Charitable activities	95	113	208	106	202	308
Governance costs	3	-	3	3	-	3
<b>Total expenditure</b>	<b>110</b>	<b>113</b>	<b>223</b>	<b>137</b>	<b>202</b>	<b>339</b>
Net (deficit)/surplus	40	(7)	33	(36)	(65)	(101)
Funds brought forward	99	77	176	135	142	277
Funds carried forward	139	70	209	99	77	176

< Rose Craft is a Level 3 SWIFT member based in Swaziland.

√ Children playing nearby customer Bukonzo Farmers Cooperative Union in Uganda.





# Looking Forward

As our Share Capital continues to grow, so does demand for our lending. This means that we consistently look for ways to increase our support within the UK. Our main aim is to provide finance to even the most marginalised of communities overseas and this will remain at the core of our strategic direction.

With a dedicated in-country lending team now bringing us even closer to the heart of these regions, we are focused on providing the working capital that would be otherwise out of reach to the majority of producers.

Thanks to the support of the Maxwell Stuart Charitable Trust, our charity Shared Interest Foundation is now looking forward to working with tea, coffee and handcraft co-operatives located in East Africa. Access to finance is critical, to enable these co-operatives to meet their operational costs, improve their revenue streams, and ultimately increase farmers' income.

**Please visit our website for further details  
of our plans for 2017/18 at:**

**[www.shared-interest.com/annualreview](http://www.shared-interest.com/annualreview)**