**AGM Minutes**

Shared Interest Society’s 35th Annual General Meeting (AGM) was held virtually via “Zoom” at 2pm on Friday 14th March 2025. Yvonne Gale (YG), Chair of the Board, moderated the meeting and welcomed 134 members, along with their guests and staff. Patricia Alexander (DPA), Managing Director, presented a report on the Society’s activities during 2023/24, reflecting on Shared Interest’s 35th anniversary and upcoming leadership changes. Kerrey Baker (KB) introduced herself as the newly appointed Managing Director, taking over the leadership role from the 1st July 2025. Jo Powell (JP), Finance Director and Company Secretary, then provided an overview of the financial results for the year, after which the Directors responded to questions from members.

**Q&A**

**Q: How are changes in commodity prices affecting customers?**

**DPA**: Patricia acknowledged that this is an important issue, explaining that cocoa and coffee prices are currently at some of the highest levels ever seen. While it might seem like this would be beneficial for farmers, in reality, it is not. She explained that farmers actually have less crops to sell, so despite the high prices, their overall income has not increased in many cases. Additionally, buyers are often reluctant to pay these higher prices, which creates further challenges. She noted that in the case of cocoa, prices have been four to five times higher than ever before, which makes it difficult for producers to manage their businesses. Coffee farmers are experiencing similar struggles, and Fairtrade-certified buyers in particular are finding it challenging to remain competitive due to the extra premium they pay. However, despite these difficulties, Patricia reassured members that Shared Interest’s customers have so far been managing well.

**Q: How do overseas teams find new customers?**

**DPA:** There are several ways that Shared Interest connects with new customers. Sometimes, it is as simple as word of mouth—one co-operative may recommend Shared Interest to another, and they then get in touch through the regional offices or website. She also highlighted the importance of attending trade shows and conferences, mentioning that the team regularly goes to BioFach, a major food industry event, as well as other events like the Specialty Coffee Association (SCA) conference in the US. She noted that Shared Interest is well known within the fair trade world, working closely with organisations like the World Fair Trade Organisation (WFTO) and Fairtrade International. These networks are crucial, as they allow the team to meet new customers and maintain strong relationships with existing ones.

**Q: I read in the press that Santander were leaving the UK?**

**JP:** I am pleased to say that Santander have confirmed that these rumours were unfounded. In fact, Ana Botín, Executive Chair of Santander Group confirmed this when she spoke at the World Economic Forum’s Annual meeting in January 2025, describing Britain as “one of Santander's core markets” and saying “that this would not change”. In addition to this, our Relationship Directors in the UK have also confirmed that they have no concerns about Santander leaving the UK.

**Q: Has there been any developments to varieties of coffee to secure its future?**

**Cristina Talens (CT) Non-Executive Board Member:** There has been extensive work in developing new coffee varieties to help secure the future of coffee production. She highlighted the work done by Kew Gardens, which has been active in this area for many years, particularly in Ethiopia, Mexico, and Nicaragua. Their focus has been on developing Arabica varieties that can withstand droughts, increase yield, and thrive at higher altitudes, addressing the challenges coffee farmers face due to climate change.

She also mentioned that government ministries in coffee-producing countries, such as Kenya, have been working on developing new coffee varieties for over 20 years. A notable example is the Batian variety coffee, introduced in Kenya around 2012, which offers greater resilience to coffee rust. Other organisations, including the World Coffee Foundation, continue to run field trials globally to ensure the protection and longevity of coffee crops.

**Q: How conservative are we on bad & doubtful debts?**

**Richard Anderson (RA), Non-Executive Board Member & Audit Committee Chair:** Richard reassured members that Shared Interest takes a very prudent approach when it comes to bad debt provisioning. He explained that management carefully assesses each lending risk, and their decisions are rigorously reviewed by the Audit Committee and external auditors, Armstrong Watson. He also noted that Shared Interest holds £0.9 million in reserves as an additional safeguard and that there are plans to increase provisions further in 2025.

**Q: Income from loans has fallen so has the amount of outstanding loans, what are Shared Interest’s plans to reverse this?**

**DPA:** This trend has been influenced by fluctuations in exchange rates, as 75% of Shared Interest’s lending is in dollars and the balance in Euros. As our investment is in GBP, we are impacted by exchange rate movements. She explained that this makes it challenging to determine whether the loan book has genuinely decreased or if it is simply a result of currency fluctuations. She further noted that two large customers had gone out of business in the past year, which contributed to the reduction in lending. However, the lending team is actively working to bring in new lending, and several new facilities have already been approved this year. Patricia reassured members that although the trend appeared negative, the loan book is growing again, and the exchange rate situation is improving.

**Q: How do we manage bad & doubtful debt?**

**JP**: Shared Interest takes a prudent approach to managing bad and doubtful debt. The management team spends considerable time assessing each individual lending exposure, ensuring they are appropriately monitored. These provisions are reviewed by the Audit Committee, chaired by Richard Anderson, as well as by the Board and external auditors, Armstrong Watson. She also highlighted that Shared Interest holds £0.9 million in reserves as a protective measure against bad debt. The organisation continuously works to build up its reserves, balancing caution with its mission to support producers. Jo reassured members that, while risks exist, Shared Interest's conservative approach ensures the organisation remains financially stable.

**Q: Why do we bank with Santander instead of a more ethical bank?**

**DPA:** Patricia addressed this concern, explaining that when Shared Interest was looking for a banking partner, Santander was the best option available. She noted that the team had looked at several smaller ethical banks, but unfortunately, none of them were able to support the complex international finance needs of the organisation. Patricia emphasised that it was the best fit for Shared Interest’s requirements at the time.

**Q: How do we cover our overhead costs?**

**KB**: Shared Interest does not use members' capital to cover overheads. Instead, the organisation generates income through interest charges on customer loans and deposits held at the bank. She noted that the team works hard to keep operating costs low and ensure that financial resources are used effectively.

**Q: How long do customers typically stay with Shared Interest?**

**DPA**: Shared Interest has a mix of long-term and newer customers. Around 25% of customers have been borrowing for over ten years, while another 50% have been with the organisation for between five and ten years. The remaining 25% joined within the last five years. She noted that Shared Interest is unique among social lenders in that it allows rolling facilities without requiring customers to reapply annually, making it a more stable option for producers.

**Q: Since Co-op is merging with the Coventry Building Society, how will Shared Interest manage this relationship?**

**KB:** Shared Interest currently has two banking partners: the Co-operative Bank and Santander. The Co-operative Bank facilitates member investments, whereas Santander enables Shared Interest to lend to customers. She acknowledged that branch closures had already affected members' ability to pay in via the Co-op Bank. With its merger with Coventry Building Society, there is uncertainty about whether members will still be able to make payments through high street branches. Kerrey reassured members that Shared Interest is closely monitoring the situation, and if Coventry Building Society offers a suitable payment option, it will be explored as a new solution.

**Q: You mentioned loss & negative surplus, can you explain this more?**

**JP**: A profit means there is a positive surplus for the year, whereas a loss reflects a negative surplus for the year. Shared Interest recorded a loss of £392,000 this year, mainly due to increased provisions for doubtful debts following two customer insolvencies. However, Jo reassured members that the organisation remains financially stable, with adequate reserves and new lending growth to ensure a strong financial future.

**Q: How do Directors decide the interest rate for members?**

**DPA** The management team prepares financial forecasts and presents recommendations to the Board each year. The Board must ensure that the interest rate remains sufficient to attract and retain capital while avoiding excessive costs that would make lending unaffordable for customers. She noted that Shared Interest is restricted by its rules from offering an interest rate that would attract surplus capital beyond what is needed to support its operations.

**Q: Are there other social lenders doing similar work to Shared Interest?**

**DPA**: Patricia confirmed that there are other social lenders operating in this space, though they have different financing models. Shared Interest is a founding member of the Council on Smallholder Agricultural Finance (CSAF), a network of social lenders supporting agricultural Small and Medium-sized Enterprises (SMEs). These are typically locally-run businesses that form the backbone of rural economies and often struggle to access traditional finance. While Shared Interest is the only UK-based organisation in CSAF, other members include Root Capital, Oikocredit, responsAbility, Rabobank, Incofin, and Alterfin. In some cases, lenders collaborate, co-financing large-scale projects where a borrower needs significant funding. Shared Interest’s uniqueness lies in its exclusive focus on fair trade businesses, whereas other lenders operate with broader social finance objectives.

**Report from Council:**
Stephen Thomas, Joint Moderator of Council presented the report.

As I step down after my six years on the Council, may I underline what a great pleasure it has been to work alongside a changing kaleidoscope of fellow Council members, Board members and a cross-section of the staff team at Shared Interest. I believe I speak for volunteers at the organisation more generally, in whatever varied way such volunteering is done, that it is both a privilege and fun to be able to see the work of the organisation undertaken at close quarters.

It is then farewell from me and from Kathleen Hall, who had to step down early from her Council role during the past year because of other, personal commitments. May I wish those who replace the two of us on the Council from today the very best for the future, whilst also anticipating the best for the organisation as a whole as it undergoes more significant change in its senior management than for many years. The Council has greatly appreciated the enduring contributions of Tim Morgan and of Patricia Alexander in their respective roles. Having played a part in appointing their successors, the Council is also confident about what lies ahead in the capable hands of Jo Powell and Kerrey Baker.

The Council exists to represent and reflect the views of the membership, so assisting in informing policy-making and decision-taking. The 2024 Members’ Survey completed by many of you was able to help the organisation generally, and Council specifically, have a clear understanding of members’ views on key matters on which to base evolving strategy. And those individuals who attended one of the three face-to-face meetings held in England in 2024 added to the active engagement shown by members. The insights which Council obtains into the organisation’s workings have shown once more this year that the Society has proceeded steadily - despite unsettled seas in the broader, worldwide fair trade market - while the Foundation celebrated its 20th anniversary with a pleasing expansion in its project work.

A review of the organisation’s Social Accounts is one of the Council’s annual tasks. It is therefore fitting to finish by referring to the four Positive Statements, set out by Shared Interest’s staff to reflect their core values and included in this year’s Social Accounts: to be fair, be responsible, be positive and to be innovative. These are watchwords that have been evident in the way that the organisation has worked during my time on the Council. I am confident that they will continue to be pursued with energy and creativity in the future.

**Voting Results**

YG drew the question session to a close and asked JP, as Company Secretary, to conduct the voting on resolutions and report the outcome of the postal ballots. Resolutions were approved as follows (where applicable the proxy votes were also reported and in each case were also strongly in favour of the resolutions):

1. To receive the Society’s accounts for the year ended 30 September 2024 and the reports of the Directors and the Auditor: (For 94, Abstain 2, Against 0) [Proxy votes: For 676, Against 2]

2. To receive the Society’s Social Accounts for the year ended 30 September 2024 and the report of the Social Audit Panel; (For 94, Abstain 2, Against 0) [Proxy votes: For 671, Against 4]

3. To re-appoint the firm of Armstrong Watson as the Auditor of the Society to authorise the Directors to fix the remuneration of the Auditor for the year ending 30 September 2024; (For 91, Abstain 3, Against 1) [Proxy votes: For 665, Against 13]

**Election of Candidates for Board and Council**

Declarations of support for the Society’s Object from all candidates standing for election were received.

The results of the postal ballot for the election of the following members of the Society as Directors for the year were announced as below. Melissa Duncan and Paul Valentin were re-elected and JP was elected by members for the first time having been co-opted to the Board in September 2024, following a recruitment and recommendation from the Shared Interest Nomination Committee:

|  |  |  |
| --- | --- | --- |
| **Name** | **For**  | **Against** |
| Melissa Duncan | 928 | 14 |
| Jo Powell | 913 | 18 |
| Paul Valentin | 894 | 20 |

The results of the postal ballot for election of the members of Council were announced and Keith Barnes (standing for the vacant randomly selected and uncontested position) and Elsa Fairbanks (standing for the non-random vacancy in the contested election) were appointed.

The results were as follows:

|  |  |  |
| --- | --- | --- |
| **Name** | **For**  | **Against** |
| Keith Barnes | 888 | 26 |
|  |  |  |
| Elsa Fairbanks | 558 | 40 |
| Seán Kelly | 361 | 94 |

YG thanked all members for attending and also offered particular appreciation to Stephen Thomas and Kathleen Hall, who stepped down from the Council, for their years of service.

The meeting concluded at 3.45pm.