

# NORKING AND INHAND

**ANNUAL REVIEW 2022** 



Countries around the world are facing new and growing challenges, including the aftermath of the pandemic, the immediate threat of climate change and the ongoing effects of conflict.

Against this complex backdrop, Shared Interest brings together a community of people with a shared goal of investing in a

## FAIRER WORLD

WELCOME TO OUR 2022 REVIEW

< KOAKAKA Agronomist Jeanne d'Arc Manishimwe checks the quality of coffee beans at one of the co-operative's three washing stations in the Southern Province of Rwanda Front Cover: Inka Moss gatherer María Mendoza Ramos in the Andean Highlands of Tambillio, Peru

"Feeling the trust that Shared Interest gives us is something that motivates us a lot." RUPESTRE

Calls Tentad Molida

SEGUNDO GARCIA



### WELCOME TO OUR 2022 REVIEW

As we prepare this Annual Review, countries around the world are facing new and growing challenges. Against this complex socioeconomic backdrop, Shared Interest has worked hand in hand with farmers, artisans and communities to strengthen enterprises and increase employment opportunities.

We increased Share Capital by £1.6m, to reach a total of £52.3m. Our members have remained loyal and engaged, with over 130 participating in our Strategic Review process. One outcome was clear: that we should stay true to our mission and this year we supported 204 organisations which impacted the lives of over 388,000 farmers and artisans in 45 countries.

Although we aim to lend directly to producers wherever possible, our buyer lending enables us to support businesses in regions we could not otherwise reach. This year, a large proportion of this finance went to Asia, including India and Bangladesh.

During the year, an internal Credit Committee was established, passing lending approval for all applications, regardless of size, from the Board to our Senior Management Team after 32 years. As the world faces ongoing economic turmoil, the balance between our aim of reaching those who need it most and the need to avoid placing our members' capital at excessive risk remains paramount.

We support a wide range of products, including fruit, seeds, sugar, honey, herbs and nuts. Handcrafts continue to have an important place in our lending as we maintain our focus on small and disadvantaged producer groups. Our support to cocoa producers has reduced slightly, to 22% of our lending. Coffee continues to dominate the portfolio, representing just under half of all finance provision, reflective of how many Fairtrade certified producers grow this commodity.

Our team in Costa Rica, Ghana, Kenya, and Peru have once again been able to meet with producers, visiting farms and factories to understand fully the outcomes of our support not just on businesses, but their communities and wider environment. Amongst the accolades received by the Society this year, one was a Special Recognition Award at the North East Charity Awards, for this 'significant and far-reaching global impact'.

This would not be possible without the commitment and dedication of every single person involved, including the inspirational entrepreneurs we support across the world. Thank you to everyone who has enabled the organisation to make trade justice a reality in increasingly challenging times, especially our colleagues, volunteers, members and donors.

As I come to the end of my term as Chair, I will never forget the resilience and fortitude embodied by the organisation, particularly over recent years. Our sense of community has never felt stronger. I will continue to be involved as a member and share in our goal of investing in a fairer world.

**Chair, Mary Coyle** 

### DURING THIS YEAR'S STRATEGIC REVIEW PROCESS, WE SAID:

It is clear that our members want us to stay true to our mission. We will maintain the purpose Shared Interest was set up to achieve 32 years ago, whilst remaining mindful of evolving global issues.

### **MISSION & 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.

### It is a meeting of hearts and minds.

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

### DURING THIS YEAR'S STRATEGIC REVIEW PROCESS, WE SAID:

We will deepen our support for fair trade, helping producers and artisans to diversify into new markets and new commodities.

"I feel positive that the revenue will help me take care of my children."

AKOLPOGBILA APALAWANYA

### WHAT WE DO

Shared Interest is an ethical finance organisation, supporting people in remote and disadvantaged communities to trade and earn a living. We act co-operatively, with UK members coming together to achieve a common goal of investing in a fairer world. We use their collective £52.3m of investment to provide loans and credit facilities to businesses that follow Fair Trade Principles, to ensure that farmers and artisans are paid on time for their products.

Our finance helps handcraft organisations to buy raw materials, and enables co-operatives to pre-finance orders from their overseas buyers. We support the production of commodities such as coffee, cocoa, fresh fruit, and nuts as well as handcrafts such as woven baskets and furniture. Our work is not just about providing finance on fair terms, the impact goes far beyond this. We believe access to finance is crucial in helping businesses to grow sustainably and become more resilient to increasing challenges such as climate change. Financial support is also integral in increasing production, and providing farmers with the income needed to prepare their land effectively. As production increases, so does the amount of Fairtrade Premium paid, which benefits the wider community.

As we continue to align our work with the Sustainable Development Goals (SDGs), gender equality remains important to us and we know that over a third of the producers we reach are women.



< Basket weaver Akolpogbila Apalawanya at social enterprise TradeAID Integrated in the Bolgatanga area of the Upper East Region of Ghana

## IOGETHER

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**CROWTH** IN SHARE CAPITAL 2022

£50.7m £52.3m

### **OUR MEMBERSHIP**

At the core of Shared Interest is a community of members coming together to achieve a shared goal. This year, they have enabled us to reach a Share Capital total of \$52.3m across 10,416 Share Accounts. This followed an annual increase of \$1.6m.

Although 78% of our membership is made up of individuals, it also includes faith groups, fair trade partnerships, businesses, schools and community groups.

Our members are incredibly loyal and the average length of time a member holds a Share Account is 15 years. We pride ourselves in providing exceptional customer service and over the past year, we have been focusing on improving our levels of engagement, building on members' understanding and knowledge of their investment, and their impact through our quarterly magazine, e-newsletters, phone calls and improving our internal processes.

This year our Annual General Meeting was held online with an attendance of 249 members. In addition to this, we held a series of online supporter events during Fairtrade Fortnight, bringing supporters and farmers together with the Shared Interest team, to discuss the climate issues faced in different regions. We also completed our Strategic Review process, which included our largest ever stakeholder consultation with interviews, research projects and 130 members participating in online discussion workshops. Throughout our stakeholder consultations, members told us they do not want us to lose sight of the small and disadvantaged organisations we support and that we must maintain the purpose Shared Interest was set up to achieve 32 years ago.

Our new strategy sets out how we will continue to widen our support for fair trade, extending our lending to organisations who are working towards Fairtrade certification, as well as those who meet the 10 Principles of Fair Trade. We will also continue to assist businesses in adapting to the challenge of climate change by building partnerships, encouraging our customers to become more climate resilient, and by developing information resources for our members. Gender equality has an extremely significant part to play in strengthening communities. By supporting women who live in remote and rural regions, we can increase productivity and promote economic growth. Narrowing the gender gap not only helps women prosper, it helps their families and communities thrive. We will therefore continue to support producer organisations that meet our lending criteria and create opportunities for women's empowerment.

"Congratulations on a very successful Society that delivers so much hope to those working hard to better their lives. I find it all inspirational. Thank you for putting my money to such good use."

### QUOTE FROM MEMBER ATTENDING AGM

### RECYCLING

We recycled our computer equipment in a secure and environmental way



### TEAM INVOLVEMENT

Our Coffee + Learn sessions draw colleagues' attention to environmental issues, including topics such as the Sustainable Development Goals (SDGs)

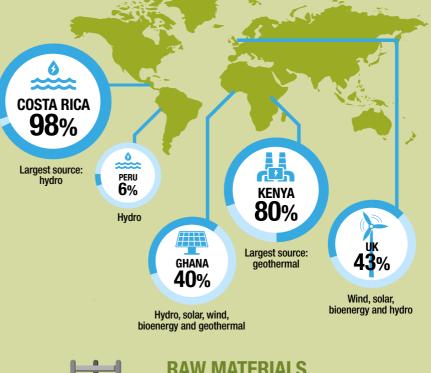


TRANSPORT AND TRAVEL We have significantly reduced travel

and increased the use of online technologies, including virtual due diligence

### ENERGY

Energy sources from some of the countries where our team is based



### RAW MATERIALS AND SUPPLIES

A combination of vegetable-based inks and chemical-free printing presses are used for most of our printed materials

Hello...

Hola...

### **OUR PEOPLE AND PLANET**

## **OUR PEOPLE**

### **Our International Team**

We have a dedicated team of 36 people and over half have been with us for five years or more. This team works across five locations: Costa Rica, Ghana, Kenya, Peru and the UK. Understanding the culture and dialect of the people we are supporting is essential and 18 languages are spoken across the organisation.

As we embrace a hybrid working model following two years of working from home, we have continued to maintain a strong focus on engagement, looking for opportunities for the team to come together to share ideas, build knowledge and collaborate. Our independent engagement survey received a 94% response rate and all 34 respondents were either 'engaged' (36.5%) or 'actively engaged.' (63.5%).

"Amidst these complicated times, there is a need to continue our solidarity efforts around the world."

MARCO GARCIA, LENDING MANAGER FOR CENTRAL AND NORTH AMERICA

### **Dedicated volunteers**

Our network of 98 volunteers has been an integral part of the Shared Interest team over the past 12 months. Ambassadors, Community Supporters and Event Researchers enable us to reach a wider audience and attract more members. Meanwhile, our volunteer translators carried out vital work, supporting us to communicate in different languages and helping to bring the voice of producers to the centre of our storytelling.

### "I like to feel part of an organisation that achieves so much of value."

### "I feel proud to be associated with Shared Interest."

"There is certainly a feeling of community promoted by Shared Interest volunteer support staff and they are always keeping everyone up-to-date and involved."

Quotes from our Volunteer Survey

"HELLO"

"OLÁ"



18 NUMBER OF LANGUAGES SPOKEN

**18** NUMBER OF TEAM MEMBERS WHO SPEAK MORE THAN ONE LANGUAGE

### LANGUAGES

English, French, Spanish, Turkish, Portuguese, Kiswahili, Taita, Swahili, Afrikaans, Hindi, Teluga, local Ghanian languages: Twi, Fante, Nzema, Akan, Ewe, Wuruba and Guan "It is a basic principle of fairness that women and men should have the same opportunities in society – to follow their dreams and build a brighter future for themselves and their children."

"We know from the Shared Interest model, it is when people come together with a shared goal, that positive change takes place."

ANJUM, SHARED INTEREST MEMBER



THERESA, SHARED INTEREST MEMBER



### Elizabeth Arista Salazar, COOPARM (Cooperativa Agraria Rodriguez De Mendoza) Coffee Farmer and Women's Committee President, Peru

Elizabeth Arista Salazar is President of COOPARM (Cooperativa Agraria Rodríguez de Mendoza) coffee co-operative's Women's Committee. The co-operative is based in the Mendoza region of Peru and has 500 members, who work to Fairtrade and organic standards, putting people and planet at the forefront of their work in producing high quality coffee.

Shared Interest has provided support to COOPARM for over a decade and the co-operative uses their facility all year round. Due to farmers being located at different altitudes, they harvest coffee continuously and the finance enables them to pay farmers when their coffee is collected. COOPARM provides the Women's Committee with funds from the Fairtrade Premium. Elizabeth said:

"We meet to decide what to do with it. We might buy seeds. We might use the money to support a female member who is ill or who is in particular need at any time.

"This is my second year as President. I want to keep on doing this to make sure that the female members of the co-operative are happy."



"What does Shared Interest mean to me? HOPE. I want to support the talents and skills of communities."



JOANNA, Shared interest volunteer Number of countries reached in 2022



### SHARED INTEREST WORKS HAND IN HAND WITH PRODUCERS ALL OVER THE WORLD.

This year, our members and supporters in the UK helped us make disbursements totalling £51.9m to 204 organisations.



"A benefit of being with the organisation over a long period is that I can see how we have been able to make a difference. We have strengthened relations with producer groups, we have found better ways to support them, and we have expanded into new supply chains in different countries. We have seen businesses grow and Shared Interest has been a fundamental factor in their evolution..."

PAUL SABLICH, HEAD OF LENDING, BASED IN PERU

### Dionicio Jimenez, Inka Moss Supply Chain Manager, Peru

Dionicio is the Supply Chain Manager at Inka Moss, a Peruvian social enterprise dedicated to the production and export of sphagnum moss. He said:

"There have definitely been some big, big changes since I started working as part of Inka Moss. Those big changes were for myself or my children and for my family as a whole." "What does Shared Interest mean to us? FINANCIAL SUSTAINABILITY: we want to make a practical contribution to supporting producers."

RUTH & MIKE, SHARED INTEREST MEMBERS



Many of the producers we support have no other source of finance



### Marcel Myasiro, KOAKAKA (Koperative y'abahinzi ba Kawa Karaba) Coffee Farmer, Rwanda

KOAKAKA coffee co-operative lies on the edge of the Nyungwe rainforest in the South Province of Rwanda.

Marcel has been a coffee farmer since 2004 when he started with a small plot of land that was 27m long and 15m wide. He joined KOAKAKA in 2009 and lives close to the co-operative. Marcel said: "KOAKAKA purchases the coffee and pays the farmers on time for their harvest. The main change I observed is that they store our coffee production

after harvest and are able to give us our money at any time of our convenience.

"When one has made enough savings, they can contribute to a given activity. For instance, they gave me money last month that I used to buy another small field and a cow."

**DURING THIS YEAR'S** 

**STRATEGIC REVIEW** 

**PROCESS, WE SAID:** 

Shared Interest will

continue to work where other lenders are less

keen to operate, with lending likely to remain in unstable and remote

geographic locations.

"What does Shared Interest mean to me? PARTNERSHIP: I want to support fair trade producers beyond just buying their products."



MARTIN, SHARED INTEREST VOLUNTEER

### IN 2022, OUR FINANCE HELPED SUPPORT THE LIVELIHOODS OF OVER 388,000 FARMERS AND ARTISANS IN 45 COUNTRIES.

This impact is not just on the businesses and entrepreneurs themselves, but their families, communities and wider environment.

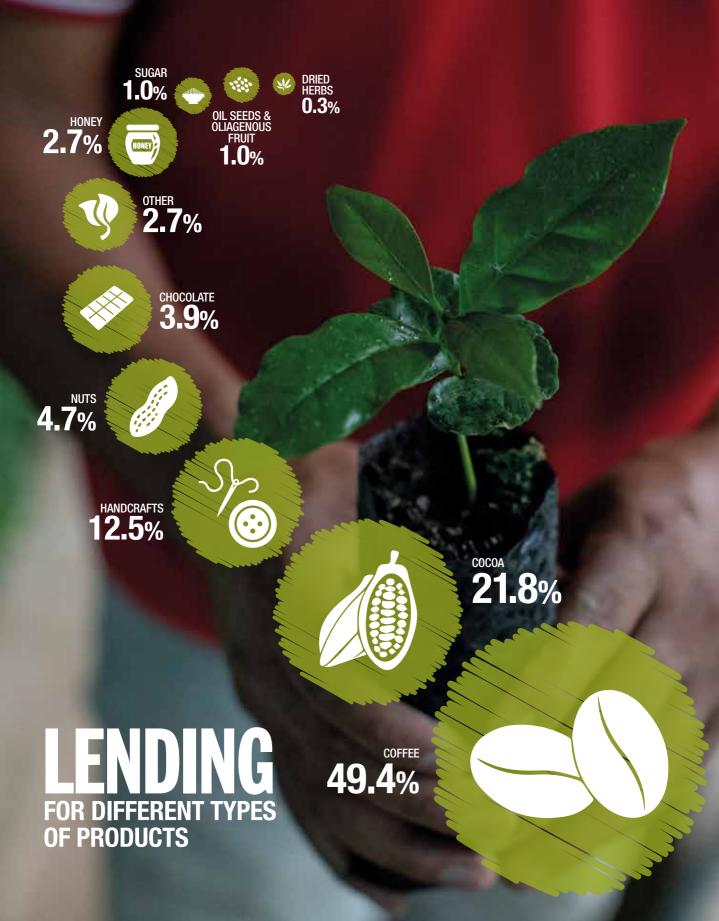
"It is nice to be see that finance is adding value, to not just a business but the producers behind it, their individuals, their families. It is a community. The Fairtrade producers we work with are able to earn a Premium. With that Premium, some of them are telling us 'We have constructed a school, we have dug a borehole'. And it is good because the wider impact will be there for quite a period of time – providing education and water. The sustainability is significant."

IMMACULATE OCHIENO, EAST AFRICA LENDING MANAGER, BASED IN KENYA

### Josinta Kabugho, BOCU (Bukonzo Organic Farmers Cooperative Union) General Manager

Based in the Kasese region of Uganda, BOCU is a coffee co-operative made up of 2,552 smallholder farmers in the Rwenzori Mountains, where they produce high quality, organically grown, handpicked coffee. The co-operative became a customer in 2014 and has since used our finance to build up stock levels for buyers to export and support their growth. She said:

"We are proud to make sustainability the focus for all of our activities and there is an abundance of life and diversity to be found on our farms."



### **OUR LENDING**

Access to finance remains a significant challenge for businesses in developing countries. With our support, we know that these enterprises can generate sustainable economic growth.

Our key focus is to provide finance directly to smaller, vulnerable organisations, who often have no other affordable source of funds. We do this by offering finance in two ways: directly to producer groups that follow Fair Trade Principles and to fair trade retail businesses, wholesalers and FLO Traders\*. This year, our finance supported 185 customers, consisting of 165 producer groups and 20 buyers.

The majority of our support is in the form of working capital or stock facilities to help producers fulfil orders, pay workers on time or purchase stock. In addition to this, we offer term loans to producers to enable them to purchase equipment and infrastructure. We are also one of the few social lenders to provide credit facilities to buyer organisations in the Northern Hemisphere. Most of these funds are used to pre-finance orders so they can make a payment to the producer when placing an order. This is helpful when the delivery of goods may not take place for several months, or if the products need to be processed or packed before being sold.

As part of the Customer Social Impact survey, 67% of producer groups surveyed indicated that their farmers had seen an increase in income levels during the past 12 months. Coffee remains our largest focus, mainly due to the scale of Fairtrade coffee production, with more than half of all Fairtrade certified producers growing this commodity. We saw an increase of 2.3% in our lending to support coffee largely due to the high level of volatility within the coffee market, which meant that producer groups required additional financing. These price fluctuations were caused by unexpected weather conditions in Brazil, which drastically reduced the crop and impacted global supply.

The second highest commodity in our portfolio is cocoa and although other social lenders recorded an increase in cocoa lending, we saw a reduction from 28.3% in 2021 to 21.8% in 2022. We believe this is partly due to the high number of lenders operating in this sector and their ability to provide larger facilities at a lower interest rate. This was compounded by lower utilisation levels in West Africa due to a fall in orders.

Handcraft and textile products continue to have an important place in our portfolio as the majority of other social lenders do not offer financing to this sector. Our lending to these producers did increase from 8% in 2021 to 12.5% in 2022 due to higher purchases from buyers as retail shops reopened after Covid-19 and demand for handcraft items increased. "I still remember that there were some houses built with very basic materials. In some cases, they didn't even have doors or windows. But they didn't have the income to get anything different from that. Nowadays if you do and visit the same houses, they have changed. In some cases. the structures are built with better

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DIANICIO JIMENEZ, SUPPLY CHAIN MANAGER INKA MOSS, PERU

\*FLO Trader describes a trading organisation that buys, sells and/or manufactures/processes and has a Fairtrade product certification.

### DURING THIS YEAR'S STRATEGIC REVIEW PROCESS, WE SAID:

We will work collaboratively and professionally, sharing knowledge and skills. We will continue to celebrate the diversity of different cultures.

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### **OUR LENDING**

We know that our producers and buyers had already been affected at different stages of the pandemic and Covid-19 but the current global economic climate saw costs rise quickly alongside disruption in transport networks, a worldwide shortage of shipping containers, and changing consumer patterns. Added to this, climate change has caused an increase in plant disease and pests, as well as erratic rainfall patterns and extreme weather events that destroy crops.

To ensure we keep up to date with regional challenges, we hold Producer Committees each year. Customers from various sectors come together and many said that one of the main advantages of accessing finance from Shared Interest is the speed of disbursement and our ability to accept the additional risk of lending to co-operatives with a limited credit record.

Despite the challenges faced during the last 12 months, Shared Interest has continued to support smallholder farmers and artisans to grow their businesses sustainably, and create employment opportunities. The Americas and Africa represent 93% of our portfolio and the remaining 7% are located in Europe and Asia.

### **The Americas**

South America continued to receive the highest volume of payments due to the large number of coffee producers based in the region. As mentioned earlier, increased coffee prices caused ongoing disruption to local coffee markets throughout 2022. The limited amount of coffee available was in high demand and this caused supply chain issues, with farmers being offered higher prices by intermediaries.

Unfortunately, many producers reported that the changing weather patterns affected coffee yields and quality, as the coffee harvest season has shortened by two months. Producers also highlighted the greater instances of crop disease, alongside deterioration in road conditions. In addition, coffee can no longer be grown at lower altitudes, in some parts of Peru, due to temperature changes.

### Africa

In East Africa, producers are implementing innovative solutions but are struggling with the costs. One coffee producer in Rwanda is educating its farmers on ways to increase yield and conserve water by spreading compost on the base of the plants and by planting shade trees around their crops. Another coffee producer, in Uganda, is planning to adopt a hybrid solar drying method for their coffee because they are in a region that receives heavy rainfall. In West Africa, climate change has led to erratic rainfall patterns, droughts and extreme temperature situations, affecting flowering and harvest seasons. As a result, they have seen a 25-30% reduction in yields in Ghana's major cocoa season during 2021/2022.

"We are able to pay farmers on time through the Export Credit. The Term Loan was beneficial to construct a coffee washing station. When you pay farmers in time, you receive more coffee."

### TROPIC COFFEE (RWANDA)

< Basket weaver Akolgo Abaah at social enterprise TradeAID in the Bolgatanga area of the Upper East Region of Ghana

"The main change I have seen in the community is that the children can now get the proper food that they need to be healthy." FIORELLA ANCHIRAICO MONTALVO



### KOAKAKA, Rwanda

KOAKAKA (Koperativey' abahinzi ba Kawa Karaba) was formed in 1999 to give their members the opportunity to collectively negotiate and gain a better selling price for their coffee. Since then, the co-operative has grown to 1,316 members (297 women) and almost all are small-scale farmers.

Each member owns just under an acre of land, growing approximately 400 coffee trees interspersed with food crops such as bananas, corn and beans. These crops provide food for the household and the surplus is sold on the local market for additional income.

Marie Claire began coffee farming in 2005. Since joining KOAKAKA, she has increased the number of coffee trees on her farm to 720, and over half of these are organic. She said:

"Changes are here, resulting from the co-operative and resulting from the women's group... Coffee farming has led me to good achievements. I never lack insurance for my children, for the family. And my children can't lack food."

### Inka Moss, Peru

Formed in 2010, Inka Moss is a social enterprise dedicated to the production and export of sphagnum moss. Today, they work with 38 communities in the Andean highlands, supporting over 2,800 people; 64% of the producers are female.

Food insecurity is an issue in the rural regions of Peru, where many smallholder farmers produce basic food crops, mostly potato, at a subsistence level. Inka Moss offers training to enable communities to learn how to supplement their income from potato farming by collecting moss in a way that complements the natural ecosystem.

Fiorella Anchiraico Montalvo is from the Tambillo region of Peru, in the province Huamanga. She began collecting moss eight years ago to earn an income to support her family. She said:

"The community as a whole has an additional source of income to cover the needs we have."

 V Inka Moss harvesters (front to back): Anaíz Baldéz Santiago, William Musquiano Baltazár, Jennifer Rodríguez Hurtado, Fiorella Anchiraico Montalvo, María Mendoza Ramos



### THE FINANCIAL **OVERVIEW**

The 2021-22 financial year was again challenging as the world recovers from the Covid-19 pandemic. High inflation, shipping container availability and cost and the global turbulence caused by the invasion of Ukraine by Russia, have all added to existing challenges faced by our customers.

The average exchange rate of the US Dollar to the Pound Sterling during the year was 1.27 (last year 1.37). This lower value in the pound, plus some new lending and an increase in deposit income of £53k, led to an overall increase in income of £251k. After other items, our net income increased by £266k. The net amount lent to customers at the year-end was just over £36m.

We continued our main banking relationship with Santander UK plc, providing us with the ability to borrow foreign currency, notably US Dollars and Euros, which we need to support producers and buyers. During the year, we also successfully repeated the approach of converting a proportion of our pound sterling capital into these currencies for a fixed period of time and at an agreed exchange rate. This helped to manage volatility on the exchange rate for borrowing currency to carry out our lending, and reduced borrowing costs during the year. We also retained an

ANDERSON

active relationship with the Co-operative Bank, operating an account that is used by members to pay in their investments.

Operating costs for the Society have increased by £118k from the previous year. The main reasons behind this were the return of travel, the weaker pound and inflation. Profit, before provisions and interest, was up by £146k on the previous year.

The bad debt charge for the year is unusually high at £1.7m, due to the challenging global conditions and includes the full provision of a South American customer balance to the value of £510k. This leaves an overall deficit of £457k once interest to members is factored in. Whilst this leaves the Society below the lower end of its targeted range of reserves (more details are available in the published annual statutory financial statements), a three-year business plan is in place to build reserves accordingly. The overall financial position of the Society nevertheless remains strong with growth in member capital of £1.6m. In addition to specific provisions against doubtful accounts, which are cumulatively £12.5m, we have reserves from this and previous years' surpluses totalling £1.2m.



PATRICIA ALEXANDER





DUNCAN

COYLE



GALE







CRISTINA MORGAN TALENS

PAUL VALENTIN

	<b>2018</b> £'000	<b>2019</b> £'000	<b>2020</b> £'000	<b>2021</b> £'000	<b>2022</b> £'000
STATEMENT OF	£ 000	2.000	£ 000	£ 000	£ 000
COMPREHENSIVE INCOME					
Credit charges	3,264	3,513	3,362	3,153	3,334
Bank deposit interest	55	58	54	50	103
Other	125	63	115	112	129
Total	3,444	3,634	3,531	3,315	3,566
Finance Costs	(448)	(472)	(233)	(94)	(81)
Provision for doubtful debts	(793)	(857)	(1,166)	(1,012)	(1,729)
Operating costs	(1,985)	(2,193)	(2,131)	(2,055)	(2,173)
Corporation Tax	-	-	-	-	-
Profit before members' interest and donation	218	112	1	154	(417)
Members' interest	-	(73)	(83)	(93)	(40)
Donation	- 1.30	- 1.23	- 1.29	- 1.35	- 1.115
£/\$ Exchange rate at the year-end	1.50	1.23	1.29	1.55	1.115
BALANCE SHEET					
Tangible fixed assets	161	158	118	111	71
Investments	121	128	123	118	139
Lent to customers	36,330	36,037	29,660	31,776	36,085
Cash and deposits	42,234	44,301	46,960	52,051	53,414
Debtors	128	107	64	126	232
Loans owed to the bank/overdrafts	(35,241)	(35,155)	(28,485)	(31,313)	(35,955)
Other creditors < I year	(506)	(514)	(373)	(388)	(402)
Other creditors > I year Total	(214) <b>43,013</b>	(238) <b>44,824</b>	(238) <b>47,829</b>	- 52,481	- 53,584
Capital	41,371	43,071	46,148	50,730	52,341
Proposed share interest	-	72	82	91	40
Proposed donation to Shared Interest Foundation Profit and Loss	-	-	-	-	1 000
Total	1,642 <b>43,013</b>	1,681 <b>44,824</b>	1,599 <b>47,829</b>	1,660 <b>52,481</b>	1,203 <b>52,584</b>
IUtal	43,013	44,024	41,029	52,401	52,564

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

### DURING THIS YEAR'S STRATEGIC REVIEW PROCESS, WE SAID:

Shared Interest is a leader in its field. We will continue to shine a light on fair finance and innovative lending.

### LOOKING FORWARD

The Covid-19 pandemic was just the latest emergency facing rural communities, and it showed how important trade is to the lives and livelihoods of producers.

Producers and buyers, already severely impacted by the pandemic, are now suffering from the effects of the current global economic crisis. Rising costs, disruption of transport networks, including a worldwide shortage of containers and changing consumer patterns, all combine to create very challenging trading conditions. The threat of climate change creates yet another level of uncertainty and the World Bank recently stated that it could push 132 million people into poverty over the next eight years.

Access to finance is crucial in helping farmers and artisans to adapt to these changing and volatile conditions. According to Fairtrade International's commissioned research, households including members of Fairtrade certified producer organisations were less affected by Covid-19 and they showed more economic resilience. As confirmed in our recent Strategic Review, our members strongly endorse our mission and we will therefore continue to maintain our commitment towards fair and just trade; keeping our focus on those smallholder farmers and handcraft co-operatives that other lenders are less keen to support. With our financial support, businesses can grow, improving their income and contributing to the alleviation of poverty in communities.

In line with our strategic growth plan, we will look to diversify our lending portfolio, reach more producers, and find ways to encourage our customers to become more climate resilient. We will do this by using digital solutions to create efficiencies and improve communications. We will build partnerships and share our knowledge. We will also continue to embrace new and innovative ways of working, collaborating where necessary, to improve our expertise.

### **Shared Interest Society**

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Copies of the Directors' Report and Accounts and Social Accounts are available to download from our website. Shared Interest Society Ltd is registered with the Registrar of Mutual Societies, number 27093R. Printed on paper from sustainable well-managed sources certified by the Forest Stewardship Council (FSC).







