

**TRUSTEES' ANNUAL REPORT
AND FINANCIAL STATEMENTS**

FOR THE YEAR ENDED
30 SEPTEMBER 2020

Shared Interest Foundation is a
charitable company limited by guarantee
Registered Company Number: 04833073
Registered Charity Number: 1102375

SHARED INTEREST FOUNDATION

ANNUAL REPORT 2020

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LEGAL & ADMINISTRATIVE INFORMATION

LEGAL STATUS

The organisation is a charitable company limited by guarantee (registered company number 04833073), incorporated on 15 July 2003 and registered as a charity on 27 February 2004 (registered charity number 1102375).

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

DIRECTORS AND ADVISERS

for the year ended 30 September 2020

The Directors of the company, who are also the Trustees of the charity, who were in office during the year and up to the date of signing the financial statements were:

	Year appointed
Mary Coyle (Chair)	2015
Patricia Alexander	2006
Richard Anderson (appointed Oct 2020)*	2020
David Bowman	2012
Paul Chandler	2013
Martin Kyndt	2012
Yvonne Gale (appointed Dec 2019)	2019
Pauline Radcliffe (retired AGM Mar 2020)	2011
Keith Sadler (retired AGM Mar 2020)	2012
Cristina Talens (appointed Dec 2019)	2019

* Richard Anderson is replacing David Bowman who retires after eight years on the Board in December 2020.

Company Secretary

Tim Morgan

Independent Auditors

PricewaterhouseCoopers LLP

Central Square South

Orchard Street

Newcastle upon Tyne

NE1 3AZ

Principal and Registered Office

Pearl Assurance House

7 New Bridge Street West

Newcastle upon Tyne

NE1 8AQ

TRUSTEES' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2020

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

GOVERNING DOCUMENT AND ORGANISATION

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

PRINCIPAL AIMS AND OBJECTIVES

The objectives of the Foundation are to:

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

In order to deliver these objectives, we engage in three principal activities:

- Building Business Support Networks – providing local assistance to fair trade businesses which helps them to grow, increasing incomes and employment opportunities.
- Providing financial management training – on topics such as maintaining good financial records and accessing finance for business growth. Our training courses are tailored to suit their audience from small-scale artisans to large fair trade co-operatives.
- A livelihood security fund – which seeks to support businesses that suffer an external shock such as natural disaster, to enable them to continue trading.

These activities form the contribution of the Foundation to the overall Shared Interest Theory of Change, which describes how we aim to build resilient businesses that in turn provide benefits to local communities. This is explained in more detail in our joint social accounts available on the website.

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

APPOINTMENT OF DIRECTORS

The Directors of the company who served during the financial year are listed on page 3, together with Richard Anderson who was appointed in October 2020. They are appointed to the Board by resolution of the member - that is, Shared Interest Society Limited ("SIS"). Following election they receive induction training including review of documents and policies, meeting staff and receiving briefings from key personnel. As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force.

OTHER EXTERNAL APPOINTMENTS

Below are shown the external directorships/Trusteeships of the members of the Board of Trustees and Senior Management Team. All below, except Kerrey Baker, are Directors of Shared Interest Society Limited.

Patricia Alexander **	Newcastle High School for Girls (Chair of Governors), St Oswald's Primary School, South Shields (Governor), Newcastle Business School Advisory Board
Tim Morgan **	Ecology Building Society, Northern Dance
Martin Kyndt	Fitzroy Support (Chair), Sussex Wildlife Trust
David Bowman	Corporate Responsibility (CORE) Coalition Limited, Director of Finance Mulberry Bush Organisation
Paul Chandler	The Co-operative Group, CBF Funds Trustee Ltd, Durham Cathedral Council (Chair), County Durham Community Foundation (Vice Chair), Bible Society, St Chad's College Durham (Vice Chair), Fair Trade Advocacy Office
Mary Coyle	North Tyneside CCG, Newcastle University Retirement Benefits Plan, Northumbrian Water Forum (member)
Yvonne Gale	NEL Fund Managers Ltd, Director (The appointments below in italics are dormant or semi-dormant entities linked to the above appointment). <i>NE Growth (ERDF) General Partner Ltd, Director; NE Growth (ERDF) Carried Interest Partner Ltd, Director; NE Small Loan (ERDF) General Partner Ltd, Director; NEGF General Partner Ltd, Director; NEL EOT Ltd, Director; Northern Enterprise Limited, Director; NEGF Carried interest LLP, Designated Member; Northern Society of Chartered Accountants, Deputy President; Millfield House Foundation, Trustee and Chair of Investment Committee; North East Local Enterprise Partnership, Business Growth Board, Member; Durham University MBA Advisory Board, Member; Office of the Small Business Commissioner, Non-Executive Director</i>
Cristina Talens	Source Sustainable Supply Chains Ltd, Leek Gears Limited, Director of Business Risk Assessments at the Wilberforce Institute (University of Hull)
Richard Anderson	Marston (Holdings) Limited (The following appointments in italics are all linked to the main role above) <i>Marston Legal Services Limited, Marston Regulated Services Limited, Moreton Smith Receivables Limited, Rossendales Collect Limited, Rossendales Limited, Swift Credit Services Limited, Task Enforcement Limited, Collectica Limited, Field Services Investment Limited, Magenta Bidco Limited</i>
Kerrey Baker *	Millin Trust

** Member of Senior Management Team and Board

* Member of Senior Management Team

REVIEW OF THE YEAR AND FUTURE DEVELOPMENTS

The Foundation works with a joint mission with Shared Interest Society to provide financial services and business support to make livelihoods and living standards better for people as they trade their way out of poverty. The Society is a social lender and the Foundation undertakes a range of activities, all focused on the end goal of supporting and developing producer organisations. We primarily support businesses within the fair trade movement, seeking to ensure that our activity leads to both financial and social benefits within communities. This year, Shared Interest Foundation carried out a Strategic Review to provide a new direction for the next five years. As part of this process, we sent a survey to 640 donors and we received 185 anonymous responses. Board, staff and Shared Interest Council members were also consulted. The analysis of the survey results revealed that:

- 68% of respondents feel familiar or very familiar with our mission
- 92% of respondents felt the process of donating was easy and transparent
- 97% felt we explained well or very well how their donation would be spent
- 78% of respondents would recommend the charity to a friend
- 'No Poverty' (Sustainable Development Goal (SDG) 1) and 'Climate Action' (SDG 13) were the two SDG's rated of most importance to our donor base

We also conducted external interviews with our partners, funders, and supporters. These included COCO (Comrades of Children Overseas), Comic Relief, Fairtrade International, Global Partnerships, Incofin, the Commonwealth Foundation, the Marr-Munning Trust, Trade for Development Centre (TDC), Traidcraft Exchange, World Fair Trade Organisation (WFTO). Outcomes of these interviews informed the development of our new strategic plan. The key decisions from the review can be summarised as follows:

- Developing our fundraising potential
- Expanding the scope of our projects to include elements of climate change, gender equity and empowerment of women
- Scaling up our work in Africa and Latin America
- Developing a separate volunteer role for the Foundation
- Developing strategic partnerships
- Maintaining existing governance structure but adapting our reserves policy (see below)
- Developing new roles to support the strategy

The outcomes of the projects detailed below demonstrate that we have continued to deliver on our aim to support more resilient businesses providing both a social and a financial return in their local communities. We continue to believe that helping to build strong businesses is a sustainable and respectful way to fight poverty.

Further detail of our impact is contained in our joint social accounts.

Project 1: Strengthening Governance and Financial Capacity of Producer Groups in East Africa

Part-funded by KMF Maxwell Stuart Charitable Trust, the main objective of this project was to build the governance and financial capacity of 20 producer groups in Kenya and Uganda, to increase their sustainability and access to financial support. We worked with two delivery partners,

Profile International based in Uganda and Upward Bounds based in Kenya. In Year One, we focused on strengthening governance, training the Board of Directors and Management Team of each co-operative on roles and responsibilities, strategic planning, policy development, and leadership skills. This was followed by mentoring and remote support to assist participants to implement this learning at their respective co-operatives. In Year Two, we focused on building financial awareness in areas such as record-keeping, statement analysis, budgeting, and debt management. After the training, mentoring was provided to help prepare documents such as cash flow statements, end of year accounts, and business plans and put in place effective financial management systems. As a result of this project:

- 80% of the co-operatives developed an organisational strategic plan against 20% before training took place
 - 70% of co-operatives reported an increase in knowledge of the roles and responsibilities of Board members
 - 90% of co-operatives have put in place new organisational policies around topics such as HR, gender equity, finance and risk management – enabling them to meet the requirements of finance providers
 - Two organisations developed a Youth Leadership Development Programme to engage young people in the management of the co-operatives and prepare for the future
- The confidence level of Board of Directors and Management in the financial capacity within the co-operatives increased from a rating of 50% (average) at the beginning, to 70% (good) by the end of the project

Project 2: Malawi Sustainable Solutions to Poverty

In March 2020, we concluded our three-year project in Malawi, which was funded by the Marr-Munning Trust. The project was designed to improve the income of five co-operatives through the implementation of agricultural training, business support, and a mentoring programme. Working in partnership with Malawi Fairtrade Network (MFTN), we supported producers to increase yield and improve the management of their farming business. MFTN collaborated with the Ministry of Agriculture to deliver practical training to farmers in land preparation, planting, weed control and harvesting followed by one-to-one mentoring sessions. The co-operative members were trained in strategy and business planning, performance measurement and financial skills. Through our mentoring programme, each co-operative received support to develop a business plan.

The training and mentoring on good agricultural practices enabled the co-operatives to increase their production and sales. Since the launch of the project, tea production has increased by 33% and total sales have increased by 114%.

Following the training on Good Agricultural Practices (GAP):

- 92% of farmers said the GAP training had improved their farming practices
- 100% of farmers told us that they agree or strongly agree that their crops have improved following the adoption of good agricultural practices

Following Business Planning training:

- 100% of farmers said the training they received had a positive impact in their farming business
- 75% of farmers have plans to expand their farms
- 100% told us that the training enabled them to identify potential risks in their business, mitigate these risks and support business growth

TRUSTEES' REPORT

100% of farmers told us that their household income had increased as a result of the training they received in GAP, leading to an improvement in their livelihood. Unfortunately some of the farmers' properties and crops were severely damaged in the flooding that hit Malawi shortly afterwards.

Project 3: Growing Fairer Futures

Part-funded by the Allan & Nesta Ferguson Charitable Trust, our Growing Fairer Futures project is supporting 50 young people to become cocoa farmers. Aging cocoa trees, use of traditional farming techniques, and the increasing effects of climate change mean that many farmers struggle to make a living from this activity and young people choose to migrate to urban areas in search of alternative employment.

We partnered with the Cocoa Health and Extension Division (CHED) of the Ghana Cocoa Board to work with ten communities in the Osino District of eastern Ghana. We launched the project in January this year, and have since worked with these in-country experts to deliver training in Good Agricultural Practices (GAP) and Climate Smart Agriculture.

After distributing farming tools and equipment, 22,500 cocoa seedlings were planted, along with plantain and maize seedlings. These plant food crops will provide important shade to the cocoa trees and food for farmers' families, with the surplus sold for additional income. In October, the young farmers will be trained in business and finance skills to help them run their new business profitably and sustainably.

Although this project is ongoing, the young cocoa farmers have already recorded an improvement in their livelihoods. The maize and plantain they planted amongst their cocoa tree seedlings have been harvested and the farmers were able to feed their family, whilst also having a proportion available to sell at the local market. They have also gained new skills in cocoa farming, which we hope will lead to increased yields.

When asked about the new skills taught during the GAP training, one participant told us: "Some skills gained throughout the workshop is not burning the farm land when cleared and particularly not cutting down of trees. Instead when the land was cleared I left the debris to decay"

Project 4: Environmental Sustainability

In August this year we concluded this 12 month project, which was supported by our Carbon Offset Fund. We worked closely with a Nicaraguan coffee co-operative over the course of a year, to help farmers reduce their environmental impact.

The project supported 84 farmers from UCA SJRC, to learn how to manage the wastewater created by coffee production and their own households.

As well as impacting upon the health of farmers, the wastewater was damaging soil and disrupting the growth of their coffee.

Together with UCA SJRC, we provided materials to construct water treatment filters on the farmers' land to prevent the contamination of soil and water sources from wastewater. Farmers were also supplied with 3,000 tree seedlings. Once established, these trees will not only encourage reforestation, increase soil fertility, and reduce erosion but will also provide important shade to coffee plants and subsequently increase yield. This project was funded through our carbon offset Fund.

The project beneficiaries have reported improvements in their coffee farming. Over time we expect these changes to lead to improved yield and increased household income from the sale of coffee.

Livelihood Security Fund

This year, we relaunched the Livelihood Security Fund to raise restricted funds to help producers in Africa and Latin America to meet their basic needs and support income levels during and beyond the Covid-19 crisis. A sum of £4,323 had been raised by the financial year-end. Prior to this the Foundation used its own existing unrestricted funds to enable us to support Bukonzo Organic Farmers Co-operative Union (BOCU), a producer group based in Uganda in East Africa. Through our Facebook and Twitter pages, we were able to raise awareness of the appeal, and encourage donations through our JustGiving fundraising page.

New Projects

In July and August 2020, we launched two new projects in Burkina Faso. Following the success of our pilot Bees for Business project in Dakoro last year, we secured funding from The Guernsey Overseas Aid & Development Commission to replicate this project in a nearby community called Sideradougou. In this community, many families rely on the dangerous and precarious task of gold mining as their only source of income. This project is supporting 75 women to become beekeepers as a safe and sustainable way to support their families.

Furthermore, with funding from the Evan Cornish Foundation, we are supporting the now fully established beekeeping group in Dakoro with additional training to develop their honey business and helping them to diversify into sesame farming. We look forward to reporting fully on the impact of these projects in next year's financial and social accounts.

RESTRICTED INCOME FUNDS

We acknowledge the receipt of restricted grants totalling £130k (2019: £9k) in our financial statements and details are provided at Note 3. We are grateful to all the donors who have supported our work in the past year.

UNRESTRICTED INCOME FUNDS

Unrestricted income for the year was £220k, up from £135k in the previous year, and about 130% of our target for the year. Much of this funding is provided by donations and legacies from members of the Shared Interest Society for which the Trustees are especially grateful. A number of the sums donated came from accounts where we are aware that the member of Shared Interest Society has died and in many cases due to the Covid-19 pandemic. We would like to extend our deepest sympathy to the families in question and assure you that we will seek to do the very best to honour your relative by putting their generous donation to good use in the Foundation.

The Foundation continues to hold a number of legacy nominations from the members of the Society and the Trustees of the Foundation are grateful to Society members who have indicated that they intend to support the charity by leaving a legacy in this manner.

Diversifying unrestricted income sources has continued to be challenging but we were able to finish the year with an increase in unrestricted reserves of £52k (before designation of funds to a number of specific projects). We continue to seek new avenues to grow our income, recognising that we cannot only rely on donations from Society members.

Fundraising costs in the financial statements represent a proportion of staff time and some small costs of fund-raising events. We are grateful to all those who support our work, individuals, trusts and grant making bodies.

TRUSTEES' REPORT

RISK ASSESSMENT

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

1. Major incident during staff travel;
2. Dependence on key personnel, absence, loss or failure to recruit;
3. Political instability creating operational and/or security issues overseas, impacting income and/or staff safety; and
4. Inability to raise sufficient Unrestricted Funding.

In addition to the above risks the Foundation has faced the global risk caused by the Covid-19 pandemic. Remote working has meant that the Foundation could continue to operate, managing live projects and seeking funding for future ones. As noted above, generous funding from a range of different donors this year has meant that the Foundation has been able to increase resources and approve expenditure on a number of new projects for 2020/21 and beyond. During the last year the major impact of the pandemic was to cause a delay in a number of projects where it was not possible to commence activity at the height of movement restrictions. These have now started to progress but going forward this risk remains as it is unclear at this time how long it will take for the pandemic to be fully resolved.

RESERVES AND GOING CONCERN STATUS

The Trustees have agreed that the reserves policy should be to keep the equivalent of three to six months unrestricted expenditure as free reserves to cover periods of uneven income or unexpected income shortfalls. (This represents a change from the previous policy which linked reserves to total expenditure). The balance on the Unrestricted income fund at the year-end, after remaining designation of £150k to four specific projects, one co-funded, represents about 5.5 months of budgeted unrestricted expenditure.

Based on the financial position at 30 September 2020 and the Business Plan for the 20/21 year and beyond, the Trustees believe that Shared Interest Foundation is a going concern and these financial statements have been prepared on that basis.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;

- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

STATEMENT OF DISCLOSURE OF INFORMATION TO THE AUDITORS

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

INDEPENDENT AUDITORS

A resolution to reappoint PricewaterhouseCoopers LLP as auditors will be put to the members at the Annual General Meeting.

Signed on behalf of the Board

Mary Coyle
Chair of Trustees
16 December 2020

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SHARED INTEREST FOUNDATION

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

In our opinion, Shared Interest Foundation's financial statements (the "financial statements"):

- give a true and fair view of the state of the charitable company's affairs as at 30 September 2020 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 Section 1A "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Trustees' Annual Report and financial statements (the "Annual Report"), which comprise: the balance sheet as at 30 September 2020; the statement of financial activities for the year then ended; and the notes to the financial statements.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the charitable company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Trustees' Report

In our opinion, based on the work undertaken in the course of the audit the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and the Trustees' Report has been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Trustees' Report. We have nothing to report in this respect.

Responsibilities for the financial statements and the audit

Responsibilities of the Trustees for the financial statements

As explained more fully in the Statement of Trustees' Responsibilities set out on page 7, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Trustees are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the charity's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

OTHER REQUIRED REPORTING

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the Trustees were not entitled to: prepare financial statements in accordance with the small companies' regime; and take advantage of the small companies exemption from preparing a Strategic Report. We have no exceptions to report arising from this responsibility.

Martin Cross (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Newcastle upon Tyne

16 December 2020

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 30 SEPTEMBER 2020

	Note	Unrestricted funds	Restricted funds	Total funds	Total funds
		2020	2020	2020	2019
Income from:		£	£	£	£
Donations and legacies	2	219,355	4,323	223,678	133,548
Charitable activities	3	-	125,450	125,450	8,823
Investment income	4	941	-	941	1,435
Total income		<u>220,296</u>	<u>129,773</u>	<u>350,069</u>	<u>143,806</u>
Expenditure on:					
Raising funds	7	12,652	-	12,652	13,045
Charitable activities	5, 6	155,243	30,019	185,262	242,427
Total expenditure		<u>167,895</u>	<u>30,019</u>	<u>197,914</u>	<u>255,472</u>
Net income / (expenditure) before transfers		52,401	99,754	152,155	(111,666)
Transfers between funds		-	-	-	-
Net income / (expenditure)		<u>52,401</u>	<u>99,754</u>	<u>152,155</u>	<u>(111,666)</u>
Net movement in funds		52,401	99,754	152,155	(111,666)
Reconciliation of funds:					
Total funds at 1 October		166,614	7,057	173,671	285,337
Total funds at 30 September		<u><u>219,015</u></u>	<u><u>106,811</u></u>	<u><u>325,826</u></u>	<u><u>173,671</u></u>

All activities relate to continuing operations.

The notes on pages 12 to 17 form part of these financial statements.

BALANCE SHEET

AT 30 SEPTEMBER 2020

	Note	2020 £	2019 £
Current assets			
Debtors and prepayments	11	27,120	3,218
Cash at bank and in hand	12	197,036	54,370
Deposits with credit institutions	13	107,970	127,382
Total current assets		<u>332,126</u>	<u>184,970</u>
Creditors: amounts falling due within one year	14	(6,300)	(11,299)
Net current assets		<u>325,826</u>	<u>173,671</u>
Net assets		<u>325,826</u>	<u>173,671</u>
Charity funds			
Restricted funds	15, 16, 17	106,811	7,057
Designated funds	15, 17	149,697	40,000
Unrestricted funds	15, 17	69,318	126,614
Total funds		<u>325,826</u>	<u>173,671</u>

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

The financial statements were approved and authorised for issue by the Board on 16 December 2020.

Signed on behalf of the Board of Trustees

Mary Coyle

Chair of Trustees

The notes on pages 12 to 17 form part of these financial statements.

Company registration number: 04833073

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(1.1) Basis of preparation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. The financial statements are prepared in sterling which is the functional currency of the charity and rounded to the nearest £1. The financial statements are prepared on a going concern basis as the charity has sufficient funding and activity to take it through 2021.

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

(1.2) Company status

The company is limited by guarantee and has no share capital. In the event of a winding up every member undertakes to contribute such amount as may be required not exceeding the total of £1. There was one member at 30 September 2020, Shared Interest Society Limited.

(1.3) Fund accounting

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

(1.4) Income

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

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

(1.5) Expenditure

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

All expenditure is accounted for on an accruals basis and include attributable VAT which cannot be recovered. All expenses including support costs and governance costs

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

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

(1.6) Interest receivable

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

(1.7) Debtors

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

(1.8) Cash at Bank and in hand

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

(1.9) Creditors and provisions

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

(1.10) Financial instruments

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

(1.11) Cash flow statement

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

(1.12) Foreign currency transactions

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

(1.13) Pensions

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

NOTES TO THE FINANCIAL STATEMENTS

2. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Individuals	216,855	4,323	221,178	133,048
Corporate	2,500	-	2,500	500
	<u>219,355</u>	<u>4,323</u>	<u>223,678</u>	<u>133,548</u>

In 2019, of the total income from donations and legacies, £133,548 related to unrestricted funds and £Nil related to restricted funds.

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Allan & Nesta Ferguson Charitable Trust - Growing Fairer Futures	-	20,000	20,000	-
Comic Relief - Improving Producers Livelihood in Swaziland	-	-	-	4,623
Evan Cornish Foundation - Bees for Business Part 2 (Burkina Faso)	-	8,000	8,000	-
Anonymous - Growing Fairer Futures (Cote d'Ivoire)	-	75,000	75,000	-
Marr-Munning Trust - Providing Sustainable Solutions to Poverty in Malawi	-	-	-	4,200
Guernsey Overseas Aid & Development Commission - Bees for Business (Sideradougou)	-	22,450	22,450	-
	<u>-</u>	<u>125,450</u>	<u>125,450</u>	<u>8,823</u>

In 2019, of the total income from charitable activities, £8,823 related to restricted funds.

4. INVESTMENT INCOME

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Interest received	941	-	941	1,435
	<u>941</u>	<u>-</u>	<u>941</u>	<u>1,435</u>

In 2019, of the total investment income, £1,435 related to unrestricted funds.

5. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES

	Activities undertaken directly	Grant funding of activities	Support costs	Total 2020	Total 2019
	£	£	£	£	£
Bees for Business	66	-	45	111	84,601
Bees for Business Part 2 (Burkina Faso)	4,213	3,384	4,491	12,088	-
Bees for Business (Sideradougou)	4,294	1,645	3,377	9,316	-
Crafting Fairer Futures	23	154	120	297	16,258
East Africa Governance and Finance Training	8,481	5,245	8,154	21,880	38,753
Environmental Sustainability Nicaragua	1,729	-	929	2,658	-
Growing Fairer Futures	26,130	17,934	28,191	72,255	-
Improving Producers Livelihood in Swaziland	-	-	-	-	82,953
Livelihood Security Fund	22,878	-	14,757	37,635	-
New projects	6,845	-	3,678	10,523	12,288
Providing Sustainable Solutions to Poverty in Malawi	10,226	1,657	6,616	18,499	7,574
	<u>84,885</u>	<u>30,019</u>	<u>70,358</u>	<u>185,262</u>	<u>242,427</u>

6. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

	Unrestricted funds	Restricted funds	Total funds	Total funds
	2020	2020	2020	2019
	£	£	£	£
Bees for Business	111	-	111	84,601
Bees for Business Part 2 (Burkina Faso)	8,704	3,384	12,088	-
Bees for Business (Sideradougou)	7,671	1,645	9,316	-
Crafting Fairer Futures	143	154	297	16,258
East Africa Governance and Finance Training	16,635	5,245	21,880	38,753
Environmental Sustainability Nicaragua	2,658	-	2,658	-
Growing Fairer Futures	54,321	17,934	72,255	-
Improving Producers Livelihood in Swaziland	-	-	-	82,953
Livelihood Security Fund	37,635	-	37,635	-
New projects	10,523	-	10,523	12,288
Providing Sustainable Solutions to Poverty in Malawi	16,842	1,657	18,499	7,574
	<u>155,243</u>	<u>30,019</u>	<u>185,262</u>	<u>242,427</u>

In 2019, of the total expenditure, £113,146 was expenditure from unrestricted funds and £129,281 was expenditure from restricted funds.

7. ANALYSIS OF RESOURCES EXPENDED BY EXPENDITURE TYPE

	Staff costs	Other costs	Total	Total
	2020	2020	2020	2019
	£	£	£	£
Expenditure on:				
Raising funds	12,346	306	12,652	13,045
Charitable activities				
Bees for Business	6	105	111	84,600
Bees for Business Part 2 (Burkina Faso)	4,830	7,258	12,088	-
Bees for Business (Sideradougou)	4,683	4,633	9,316	-
Crafting Fairer Futures	16	281	297	16,258
East Africa Governance and Finance Training	8,460	13,420	21,880	38,753
Environmental Sustainability Nicaragua	1,729	929	2,658	-
Growing Fairer Futures	13,541	58,714	72,255	-
Improving Producers Livelihood in Swaziland	-	-	-	82,952
Livelihood Security Fund	6,216	31,419	37,635	-
New projects	6,845	3,678	10,523	12,288
Providing Sustainable Solutions to Poverty in Malawi	10,323	8,176	18,499	7,576
	56,649	128,613	185,262	242,427
	68,995	128,919	197,914	255,472

8. SUPPORT COSTS

	2020	2019
	£	£
Office costs	23,478	18,028
Wages and salaries	5,606	4,198
Support services provided by Shared Interest Society	33,022	30,950
Marketing costs	4,952	13,409
Governance costs	3,300	3,192
	70,358	69,777

9. NET INCOME / EXPENDITURE

This is stated after charging:

	2020	2019
	£	£
Auditors' remuneration (audit services)	3,300	3,192

NOTES TO THE FINANCIAL STATEMENTS

10. STAFF COSTS

Staff costs were as follows:	2020	2019
	£	£
Wages and salaries	69,242	67,424
Social security costs	2,402	2,213
Defined contribution pension costs	2,349	2,292
	<u>73,993</u>	<u>71,929</u>

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

	2020	2019
	Number	Number
Raising funds	1	1
Charitable activities	1	1
	<u>2</u>	<u>2</u>

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

The Trustees neither received nor waived any remuneration during the year (2019: £Nil).

The Trustees did not have any expenses reimbursed during the year (2019: £Nil).

11. DEBTORS AND PREPAYMENTS

	2020	2019
	£	£
Prepayments	3,053	2,655
Accrued income	15,473	563
Amounts owed to group undertakings	8,594	-
	<u>27,120</u>	<u>3,218</u>

Amounts owed to group undertakings were repaid in full after the year-end and are settled on a monthly basis.

12. CASH AT BANK AND IN HAND

	2020	2019
	£	£
Cash at bank and in hand	197,036	54,370
	<u>197,036</u>	<u>54,370</u>

13. DEPOSITS WITH CREDIT INSTITUTIONS

	2020	2019
	£	£
Deposits repayable in not more than three months	27	20,353
Deposits repayable in not more than one year	107,943	107,029
	<u>107,970</u>	<u>127,382</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Amounts owed to group undertakings	-	4,548
Accruals	6,300	6,751
	<u>6,300</u>	<u>11,299</u>

NOTES TO THE FINANCIAL STATEMENTS

15. CHARITY FUNDS

	Restricted funds 2020 £	Unrestricted and designated funds 2020 £	Total funds 2020 £	Total funds 2019 £
Current assets	106,811	225,315	332,126	184,970
Current liabilities	-	(6,300)	(6,300)	(11,299)
	<u>106,811</u>	<u>219,015</u>	<u>325,826</u>	<u>173,671</u>

16. RESTRICTED FUNDS

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

	2020 £	2019 £
Bees for Business Part 2 (Burkina Faso)	4,616	-
Bees for Business (Sideradougou)	20,805	-
Crafting Fairer Futures	-	154
East Africa Governance and Finance Training	-	5,246
Growing Fairer Futures	2,067	-
Growing Fairer Futures (Cote d'Ivoire)	75,000	-
Livelihood Security Fund	4,323	-
Providing Sustainable Solutions to Poverty in Malawi	-	1,657
	<u>106,811</u>	<u>7,057</u>

17. MOVEMENT IN FUNDS

	Balance at 1 October 2019 £	Income £	Expenditure £	Transfer between funds £	Designation of funds £	Balance at 30 September 2020 £
Unrestricted funds	126,614	220,296	(149,961)	-	(127,631)	69,318
Designated funds	40,000	-	(17,934)	-	127,631	149,697
Restricted funds	7,057	129,773	(30,019)	-	-	106,811
	<u>173,671</u>	<u>350,069</u>	<u>(197,914)</u>	<u>-</u>	<u>-</u>	<u>325,826</u>

In 2019 the Trustees designated £40,000 to two projects which were intended as scalable pilots. One of these projects only commenced shortly after the year end. The Trustees have designated a further sum of £127,631 at the year-end.

18. ULTIMATE PARENT COMPANY AND RELATED PARTY TRANSACTIONS

The ultimate parent undertaking and controlling party of Shared Interest Foundation is Shared Interest Society Limited (a Registered Society in the UK, registration number IP27093R) by virtue of Shared Interest Society Limited being the only member of the Foundation. The financial statements of Shared Interest Society Limited are available from the registered office of Shared Interest Foundation, as shown on page 3. The Foundation is exempt from disclosing other related party transactions as these are all with Shared Interest Society Limited, the only other member of the Shared Interest group, which also reports under FRS102.