

Shared Interest Foundation

(a charitable company limited by guarantee)

Annual Report
for the year ended 30 September 2006

Registered Company Number 4833073

Registered Charity Number: 1102375

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1. The first part of the document discusses the importance of maintaining accurate records of all transactions. It emphasizes that proper record-keeping is essential for the transparency and accountability of the organization. This section also outlines the various methods used to collect and analyze data, ensuring that the information is reliable and up-to-date.

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Legal and administrative information

Status

The organisation is a charitable company limited by guarantee, incorporated on 15th July 2003 and registered as a charity on 27th February 2004.

The company was established under a Memorandum of Association which established the objectives and powers of the charitable company and is governed under its Articles of Association.

Directors and Advisers for the year ended 30 September 2006

Directors

	Appointed	Resigned
PDP Angier (Chair)	13th March 2004	
GM Dandy	24th May 2004	
PDM Freeman	24th May 2004	
DA Main	24th May 2004	
JC Simmonds	24th May 2004	18th March 2006
SJ Sturrock	15th July 2003	17th November 2005
ME Walton	24th May 2004	
DP Alexander	16th February 2006	
DSM Nussbaum	11th May 2006	
CJ Wills	11th May 2006	

Independent auditors

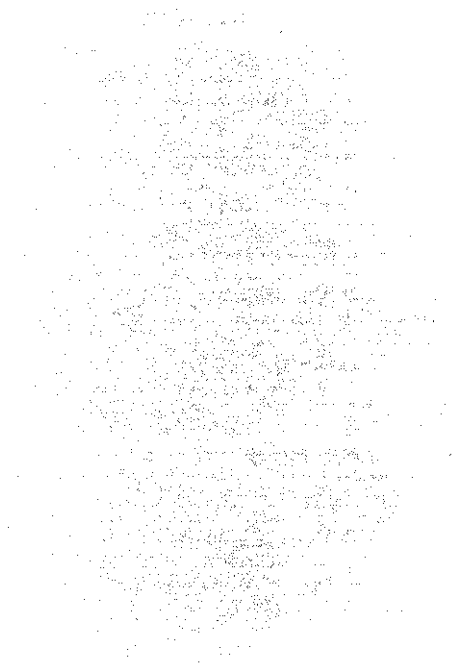
Baker Tilly
1 St James' Gate
Newcastle upon Tyne
NE1 4AD

Bankers

The Co-operative Bank
Skelmersdale

Registered office

2 Cathedral Square, Groat Market,
Newcastle upon Tyne
NE1 1EH



1. The first part of the document is a list of names and addresses of the members of the committee. The names are listed in alphabetical order, and the addresses are listed below each name. The list includes the names of the members of the committee, the names of the members of the subcommittee, and the names of the members of the advisory committee. The addresses are listed in the same order as the names.

2. The second part of the document is a list of the names of the members of the committee who have been elected to the office of the chairperson. The names are listed in alphabetical order, and the addresses are listed below each name. The list includes the names of the members of the committee who have been elected to the office of the chairperson, the names of the members of the subcommittee who have been elected to the office of the chairperson, and the names of the members of the advisory committee who have been elected to the office of the chairperson. The addresses are listed in the same order as the names.

3. The third part of the document is a list of the names of the members of the committee who have been elected to the office of the vice-chairperson. The names are listed in alphabetical order, and the addresses are listed below each name. The list includes the names of the members of the committee who have been elected to the office of the vice-chairperson, the names of the members of the subcommittee who have been elected to the office of the vice-chairperson, and the names of the members of the advisory committee who have been elected to the office of the vice-chairperson. The addresses are listed in the same order as the names.

4. The fourth part of the document is a list of the names of the members of the committee who have been elected to the office of the secretary. The names are listed in alphabetical order, and the addresses are listed below each name. The list includes the names of the members of the committee who have been elected to the office of the secretary, the names of the members of the subcommittee who have been elected to the office of the secretary, and the names of the members of the advisory committee who have been elected to the office of the secretary. The addresses are listed in the same order as the names.

5. The fifth part of the document is a list of the names of the members of the committee who have been elected to the office of the treasurer. The names are listed in alphabetical order, and the addresses are listed below each name. The list includes the names of the members of the committee who have been elected to the office of the treasurer, the names of the members of the subcommittee who have been elected to the office of the treasurer, and the names of the members of the advisory committee who have been elected to the office of the treasurer. The addresses are listed in the same order as the names.

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Directors' report for the year ended 30 September 2006

The directors present their report and accounts for the year ended 30 September 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 directors.

Principal activity 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.

Appointment of directors

The directors of the company are also trustees of the charity as defined in the Charities Act. They are appointed to the board by invitation following nomination by existing directors.

Directors

The directors, who are also trustees, who served during the period are listed on page 1.

Review of the year and future developments

The mission of the Shared Interest Foundation is to support disadvantaged producers. Within this mission a range of activities are anticipated. All are ultimately focused on the end goal of supporting and developing fair trade producer organisations. In working to this goal support for the fair trade movement as a whole has been identified as a key area of work.

A number of specific projects have been undertaken during this financial year, some of which will continue during the new year.

- Fairtrade Foundation membership and project support
- Commodities lending
- Africa regional presence
- Central America regional presence
- Producer training

Directors' report for the year ended 30 September 2006

Risk assessment

The directors consider that any risks to which the company may be exposed are covered by the risk assessment undertaken within the parent company, the Shared Interest Society Ltd.

Reserves

The directors have also agreed that a prudent reserve policy would be to keep the equivalent of one year's fixed costs as free reserves and so recommend that the balance on the unrestricted funds account of £60,906 be carried forward.

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice for each financial year that give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

The directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the period ended 30 September 2006 and that applicable accounting standards have been followed.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement as to disclosure of information to the auditors

The directors 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 directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

Auditors

A resolution to reappoint Baker Tilly as auditors to the company will be proposed at the annual general meeting.


By order of the Board

PDP Angier
Chair

1. The first part of the document discusses the importance of maintaining accurate records of all transactions. It emphasizes that proper record-keeping is essential for the integrity of the financial system and for the ability to detect and prevent fraud.

2. The second part of the document outlines the specific requirements for record-keeping, including the need to maintain separate accounts for each transaction and to ensure that all records are properly indexed and filed.

3. The third part of the document discusses the importance of regular audits and reviews of the records. It states that audits are necessary to ensure that the records are accurate and complete, and to identify any potential areas of concern.

4. The fourth part of the document discusses the importance of training and education for all personnel involved in the record-keeping process. It states that personnel must be properly trained and educated to ensure that they are able to maintain accurate records and to detect and prevent fraud.

5. The fifth part of the document discusses the importance of maintaining the confidentiality of the records. It states that all records must be kept secure and that access to the records must be restricted to authorized personnel only.

6. The sixth part of the document discusses the importance of maintaining the integrity of the records. It states that all records must be kept in their original form and that any changes or alterations must be properly documented and approved.

7. The seventh part of the document discusses the importance of maintaining the availability of the records. It states that all records must be kept in a secure and accessible location and that they must be available for review at any time.

8. The eighth part of the document discusses the importance of maintaining the accuracy of the records. It states that all records must be kept up-to-date and that any errors or omissions must be promptly corrected.

9. The ninth part of the document discusses the importance of maintaining the completeness of the records. It states that all records must be kept in their entirety and that no part of any record should be lost or destroyed.

10. The tenth part of the document discusses the importance of maintaining the consistency of the records. It states that all records must be kept in a consistent format and that any changes to the format must be properly documented and approved.

11. The eleventh part of the document discusses the importance of maintaining the security of the records. It states that all records must be kept in a secure location and that access to the records must be restricted to authorized personnel only.

12. The twelfth part of the document discusses the importance of maintaining the integrity of the records. It states that all records must be kept in their original form and that any changes or alterations must be properly documented and approved.

13. The thirteenth part of the document discusses the importance of maintaining the availability of the records. It states that all records must be kept in a secure and accessible location and that they must be available for review at any time.

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20. The twentieth part of the document discusses the importance of maintaining the accuracy of the records. It states that all records must be kept up-to-date and that any errors or omissions must be promptly corrected.

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Independent Auditors' Report to the Members of Shared Interest Foundation

We have audited the financial statements which comprise the statement of financial activities, the balance sheet and the related notes.

This report is made solely to the charitable company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

The responsibilities of the trustees (who are also the directors of Shared Interest Foundation for the purposes of company law) for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

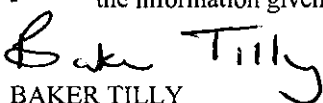
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the charitable company's affairs as at 30 September 2006 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended and have been properly prepared in accordance with the Companies Act 1985.
- the information given in the Directors' Report is consistent with the financial statements.


BAKER TILLY

Registered Auditor
Chartered Accountants
1 St James' Gate
Newcastle upon Tyne
NE1 4AD

26 January 2007



Statement of financial activities for the year ended 30 September 2006

	Notes	<i>Unrestricted funds</i>	Total 2006	Total 2005
Incoming resources from generated funds		£	£	£
Voluntary income:				
Donations & grants		103,186	103,186	122,850
Activities for generating funds:				
Investment income		1,193	1,193	-
Total incoming resources		<u>104,379</u>	<u>104,379</u>	<u>122,850</u>
Resources expended:				
Charitable activities	7	104,050	104,050	71,406
Governance costs	8	504	504	504
Total resources expended		<u>104,554</u>	<u>104,554</u>	<u>71,910</u>
Net (outgoing)/incoming resources before other recognised gains		(175)	(175)	50,940
Reconciliation of funds				
Total funds brought forward		61,081	61,081	10,141
Total funds carried forward	9	<u>60,906</u>	<u>60,906</u>	<u>61,081</u>

The charity had no recognised gains or losses other than those noted above.

All operations are continuing.

There is no difference between the reported result for the year stated above and its historical cost equivalents.

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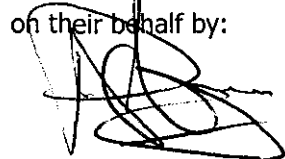
4. The fourth part of the document
describes the state of the
economy and the state of the
economy.

Balance sheet as at 30 September 2006

	Notes	Unrestricted funds £	2006 £	2005 £
Current assets				
Debtors	4	86,245	86,245	7,224
Cash at bank and in hand		153,777	153,777	98,012
		<u>240,022</u>	<u>240,022</u>	<u>105,236</u>
Creditors: amounts falling due within one year	5	179,116	179,116	44,155
Net current assets		<u>60,906</u>	<u>60,906</u>	<u>61,081</u>
Net assets		<u>60,906</u>	<u>60,906</u>	<u>61,081</u>
Funds				
Unrestricted funds	1(d), 10	60,906	60,906	61,081
Total funds		<u>60,906</u>	<u>60,906</u>	<u>61,081</u>

These accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small entities.

The financial statements were approved by the board of Trustees on **4th January 2007** and were signed on their behalf by:



PDP Angier
Chair



Notes to the financial statements for the year ended 30 September 2006

1. Accounting policies

(a) Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable Accounting Standards in the United Kingdom, the Charities Act 1993, Companies Act 1985 and the Statement of Recommended Practice "Accounting and Reporting by Charities" 2005.

The company has availed itself of Paragraph 3(3) of Schedule 4 of the companies Act 1985 and adopted the *Companies Act format* to reflect the *specific nature of the charity's activities*.

(b) Income and expenditure

Incoming resources

All incoming resources are included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

Donations and grants are accounted for on a receivable basis.

Investment income is included when receivable.

Resources expended

Resources expended are allocated to the particular activity where the cost relates directly to that activity.

Resources expended include attributable VAT which cannot be recovered.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both 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.

(c) Cash flow statement

The company has taken advantage of the exemption in Financial Reporting Standard Number One ("FRS 1") from the requirement to prepare a cash flow statement on the grounds that it is a small company.

(d) Unrestricted funds

Unrestricted funds are donations and other incoming resources receivable without further specified purpose and are available as general funds.

1. The first part of the document discusses the importance of maintaining accurate records of all transactions. It emphasizes that this is crucial for the company's financial health and for providing reliable information to stakeholders.

2. The second part of the document outlines the procedures for handling customer inquiries. It states that all inquiries should be handled promptly and professionally, with a focus on providing excellent customer service.

3. The third part of the document discusses the company's policy on employee conduct. It states that all employees are expected to adhere to a high standard of ethical behavior and to follow the company's code of conduct.

4. The fourth part of the document discusses the company's commitment to environmental sustainability. It states that the company is committed to reducing its carbon footprint and to using sustainable materials in its products.

Notes to the financial statements (cont)**2. Taxation**

The company is a registered charity which is exempt from UK income tax, corporation tax and capital gains tax as long as the income it receives is applied for charitable purposes.

3. Employees

Number of employees	2006	2005
Full time	-	1
Part time	3	2
	<u>3</u>	<u>3</u>

Staff costs	2006 £	2005 £
Salary	18,707	28,034
Social security	1,919	2,543
Pension costs	1,682	1,548
	<u>22,308</u>	<u>32,125</u>

4. Debtors	2006 £	2005 £
Other debtors	86,245	7,224
	<u>86,245</u>	<u>7,224</u>

5. Creditors: falling due within one year	2006 £	2005 £
Amounts due to parent company	179,116	43,739
Accruals	-	416
	<u>179,116</u>	<u>44,155</u>

6. Directors expenses

No expenses have been paid to directors during the period.

1. The first part of the document discusses the importance of maintaining accurate records of all transactions. It emphasizes that proper record-keeping is essential for the transparency and accountability of the organization.

2. The second part of the document outlines the procedures for handling financial matters. It details the steps involved in budgeting, forecasting, and reporting, ensuring that all financial activities are conducted in a systematic and controlled manner.

3. The third part of the document addresses the issue of risk management. It identifies potential risks to the organization's operations and provides strategies to mitigate these risks, thereby protecting the organization's assets and ensuring its long-term sustainability.

4. The fourth part of the document discusses the importance of communication and collaboration. It highlights the need for clear communication channels and effective teamwork to ensure that all stakeholders are aligned and working towards the same goals.

5. The fifth part of the document focuses on the role of technology in modern organizations. It explores how digital tools and platforms can be leveraged to improve efficiency, enhance data security, and facilitate better decision-making.

6. The sixth part of the document discusses the importance of continuous learning and development. It encourages the organization to invest in training and development programs to keep its workforce up-to-date with the latest industry trends and technologies.

7. The seventh part of the document addresses the issue of ethical conduct. It outlines the organization's commitment to high ethical standards and provides guidelines for employees to follow, ensuring that all actions are taken in a fair and honest manner.

Notes to the financial statements (cont)**7. Expenditure on charitable activities**

	2006	2005
	£	£
Producer training	28,677	-
African project	33,629	29,539
Central American project	6,373	10,899
Commodities project	26,716	26,852
Fairtrade Foundation membership & project support	8,655	4,116
	<u>104,050</u>	<u>71,406</u>

8. Net incoming resources for the year

Net incoming resources is stated after charging:

	2006	2005
	£	£
Auditor's remuneration	<u>504</u>	<u>504</u>

9. Analysis of net assets between funds

Current assets	240,022
Current liabilities	<u>(179,116)</u>
	<u>60,906</u>

All funds are unrestricted.

10. Movement in funds

	at 1 October 2005	Incoming resources	Resources expended	Balance at 30 September 2006
	£	£	£	£
Unrestricted funds:				
General funds	61,081	104,399	(104,554)	60,926

11. Ultimate parent company

The ultimate parent company of Shared Interest Foundation is the Shared Interest Society Limited, by virtue of the Shared Interest Society Limited being the only member of the Shared Interest Foundation.

12. Related party transactions

There were no related party transactions during the period. (2005: the Shared Interest Foundation received a donation of £84,713 from the Shared Interest Society Limited, the company's ultimate parent company).

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3. The third part of the document addresses the operational aspects of the organization. It describes the various processes and procedures that are in place to ensure the efficient and effective delivery of services. This section also discusses the various challenges that the organization is facing and how they are being addressed.

4. The fourth part of the document discusses the human resources aspect of the organization. It provides an overview of the current staff levels and the various roles and responsibilities of the different departments. This section also discusses the various training and development programs that are in place to ensure that the staff is equipped with the necessary skills and knowledge to perform their duties effectively.

5. The fifth part of the document discusses the legal and regulatory aspects of the organization. It provides an overview of the various laws and regulations that the organization is subject to and how they are being complied with. This section also discusses the various legal risks and how they are being managed to ensure the organization's legal compliance.

6. The sixth part of the document discusses the environmental and social aspects of the organization. It provides an overview of the various environmental and social issues that the organization is facing and how they are being addressed. This section also discusses the various initiatives that are in place to promote sustainability and social responsibility.

7. The seventh part of the document discusses the overall performance of the organization. It provides an overview of the various key performance indicators (KPIs) that are being used to measure the organization's performance. This section also discusses the various strategies that are in place to improve the organization's performance and achieve its goals.

8. The eighth part of the document discusses the future of the organization. It provides an overview of the various opportunities and challenges that the organization is facing in the future. This section also discusses the various strategies that are in place to ensure the organization's long-term success and sustainability.