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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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

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

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

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	*Unrestricted funds*	**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		*104,379*	**104,379**	122,850
Resources expended:				
Charitable activites	7	*104,050*	**104,050**	71,406
Governance costs	8	*504*	**504**	504
Total resources expended		*104,554*	**104,554**	71,910
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	*60,906*	**60,906**	61,081

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

All operations are continuing.

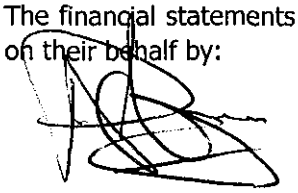
There is no difference between the reported result for the year stated above and its historical cost equivalents.

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
		240,022	**240,022**	105,236
Creditors: amounts falling due within one year	5	*179,116*	**179,116**	44,155
Net current assets		*60,906*	**60,906**	61,081
Net assets		*60,906*	**60,906**	61,081
Funds				
Unrestricted funds	1(d), 10	*60,906*	**60,906**	61,081
Total funds		*60,906*	**60,906**	61,081

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 activites 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.

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
	3	3

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

4. Debtors	2006	2005
	£	£
Other debtors	86,245	7,224
	86,245	7,224

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

6. Directors expenses

No expenses have been paid to directors during the period.

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
	104,050	71,406

8. Net incoming resources for the year

Net incoming resources is stated after charging:

	2006	2005
	£	£
Auditor's remuneration	504	504

9. Analysis of net assets between funds

Current assets	240,022
Current liabilities	(179,116)
	60,906

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).