SHAREDINTEREST FOUNDATION

Building a fairer world

TRUSTEES' ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED
30 SEPTEMBER 2021

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Shared Interest Foundation is a charitable company limited by guarantee

Registered Company Number: 4833073

Registered Charity Number: 1102375

SHARED INTEREST FOUNDATION

ANNUAL REPORT 2021

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LEGAL & ADMINISTRATIVE INFORMATION

LEGAL STATUS

The organisation is a charitable company limited by guarantee (registered company number 4833073), 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 2021

The Directors of the company, who are also the Trustees of the charity, who were in office during the year were:

	Year appointed
M Coyle (Chair)	2015
DP Alexander	2006
R Anderson (appointed October 2020)	2020
D Bowman (retired December 2020)	2012
PG Chandler	2013
MP Kyndt	2012
Y Gale	2019
C Talens	2019

Company Secretary

TD Morgan

Independent Auditors

Armstrong Watson Audit Limited
Suite 15 & 17
11 Waterloo Street
Newcastle upon Tyne
NE1 4DP

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 2021

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:

- Business development of organisations in the developing world
- 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 (www.shared-interest.com).

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. They are appointed to the Board by resolution of the member - that is, Shared Interest Society Ltd ("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 Directors and Senior Management Team.

All below, except Kerrey Baker, are Directors of Shared Interest Society Limited. Tim Morgan is the Company Secretary of the Foundation but is not a director.

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, Sussex Wildlife Trust
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, North East Ambulance Service
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). *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)
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) *Marston Legal Services Limited, Moreton Smith Receivables Limited, Rossendales Collect Limited, Rossendales Limited, Swift Credit Services Limited, Task Enforcement Limited, Collectica Limited, Field Services Investment Limited, Gasworks UK Ltd, Future Energy Metering Limited, Smartworks Metering Limited, Engage Services (ESL) Limited*
Kerrey Baker *	Millin Trust

** Member of Senior Management Team and Board
* Member of Senior Management Team

CORPORATE GOVERNANCE

As noted above, the Board of Shared Interest Foundation has a large overlap with that of the member organisation, Shared Interest Society. Due to this fact a number of the committees of the Society Board are common to both organisations – notably the Audit, Nomination and Remuneration committees. The statutory accounts of the Society contain a detailed report of these committees and this has not been replicated here but is available in those accounts from the Publications section of the website. Alongside those there is also a report assessing compliance with the Charity Corporate Governance Code and this similarly applies to the Boards of both organisations.

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. 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. Further detail of our impact is contained in our joint social accounts available from the website.

This year we launched six new projects:

1. **Building Sustainable Livelihoods for Women in Rural Nicaragua through Organic Sesame Farming** is supporting 40 women to become organic sesame farmers. Despite having access to farmland, many women do not have the necessary finance or farming experience to purchase seeds or prepare the land for planting. Working in partnership with organic sesame seeds exporter, Coproexnic, we are providing Good Agricultural Practice (GAP), organic fertiliser production, and agri-business skills training. The group also receive equipment and materials to enable them to make sesame candy to sell locally to produce another income source for the women.
2. **Growing Fairer Futures (Ivory Coast)** launched in December 2020. This project supports 50 young people (20% female) living close to cocoa co-operative, Cooperative Agricole de Yakasse Attobrou, to establish their own cocoa farms and to generate a sustainable source of income enabling them to meet their needs whilst also contributing to the sustainability of cocoa production in the region.
3. **Growing Fairer Futures (Rwanda)** supports 50 young people in western Rwanda to establish their own coffee farms. Working in partnership with local coffee co-operative KOPAKAMA, we provide training in topics such as Climate Smart Agriculture techniques and materials such as disease resistant coffee seedlings, as well as farming tools, and equipment. In November 2021, over 70,000 coffee seedlings were planted by the young farmers.
4. **Improving Organic Coffee Production in Peru** supports coffee farmers to increase their resilience to the coffee borer beetle. Due to the impact of climate change, the tiny insect is thriving in warmer temperatures, which poses increasing challenges for Peruvian farmers. Working in partnership with coffee co-operative CECAFE a combative fungus known as Beauveria Bassiana is being produced and distributed to 200 farmers, helping them to protect the ecosystem and increase coffee yields. The project will also support CECAFE to produce organic fertiliser.
5. **Increasing Economic Opportunities for Women through Soilless Farming in Ghana** is providing 120 basket weavers with the skills and tools needed to diversify into soilless vegetable farming. Our in-country partner, TradeAid Integrated, is supporting the women to use locally available products such as poultry manure and rice husks in place of soil. A warehouse has also been refurbished so that the vegetables can be washed, sorted, packed and stored before being sold to local businesses, including schools and hotels.
6. **Increasing the Resilience of Coffee Farming Households through Income Diversification in Uganda** is working in partnership with Bukonzo Organic Farmers Co-operative Union. The project supports 365 smallholder coffee farmers in Uganda to improve their coffee crop and diversify into passion fruit production to generate an additional source of income. The farmers also receive training in Good Agricultural Practices (GAP), Climate Smart Agriculture and organic compost production. Over 18,000 passion fruit seedlings have been provided, and 3,650 trees have been planted to protect against soil erosion and provide shade.

During the year we concluded three projects:

1. **Bees for Business Project (Burkina Faso)**, launched in August 2020 this project supported 75 women in rural Sideradougou, Burkina Faso to become beekeepers and provide a sustainable source of income for their families and their community. We worked in partnership with Platforme Nationale du Commerce Equitable du Burkina (PNCEB), the national network of Fairtrade organisations in Burkina Faso and the group received 300 modern beehives, built in the nearby town of Niangoloko. The participants completed a three-week training programme in modern beekeeping techniques delivered by experienced beekeepers from the neighbouring DJIGUIYA beekeeper co-operative, supported by the National Institute of Apiculture. The training programme included practical instruction on honey harvesting, beehive management, hive maintenance, and bee wax extraction. Additional activities included the construction of a well, providing a permanent source of water for the bees, a motorbike and trailer to transport the honey from the hives, and the planting of 1,000 trees to increase biodiversity and boost honey production.
2. **Bees for Business Phase 2 (Burkina Faso)**, supported 50 members of the Benkadi de Dakoro women's group in rural Burkina Faso from August 2020, to establish a beekeeping enterprise with the aim of increasing income levels. To improve their financial resilience further we supported the women to diversify into sesame farming with training in Good Agricultural Practices and Climate Smart Agriculture. One hectare of land was prepared and planted in October 2020 and the sesame farm was certified organic by ECOCERT, an internationally recognised certification body. Sesame production has contributed to an increase in the household income for all the participants and a new Village Savings and Loan Association (VSLA) has enabled the group to save and provide small loans to members of their community to help them meet urgent needs. In April 2021, ten leaders

elected by the group attended a two-day workshop in Agricultural Entrepreneurship and Leadership, delivered by an officer from the Regional Directorate of Agriculture. The aim of the workshop was to strengthen the capacity and skills of the leaders, supporting the Benkadi Women's Co-operative to manage their honey and sesame businesses both sustainably and profitably.

3. **Growing Fairer Futures (Ghana)** was launched in January 2020, supporting young cocoa farmers in the Osino region of eastern Ghana. Working in partnership with a local Fairtrade cocoa co-operative Fanteakwa, this project supported 50 young people (32% female) aged between 18-35 to establish their own cocoa farm and build it into a robust and sustainable business. We collaborated with specialists from the Ghana Cocoa Health and Extension Division (CHED) to deliver training in Good Agricultural Practices and Climate Smart Agriculture, which introduced farmers to the causes, effects, and impact of climate change and demonstrated adaptation strategies in order to increase their resilience, alongside agri-business training. The young farmers were provided with farming tools and equipment to enable them to prepare their land, then plant and maintain their cocoa farms. Each farmer received 450 disease and climate resistant cocoa seedlings together with plantain and maize shoots. These crops provided shade to young cocoa trees, supporting their growth. Surplus crops were sold locally, providing the farmers with an additional source of income.

LIVELIHOOD SECURITY FUND

The Livelihood Security Fund was relaunched in the previous year 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 £7,336 was in this fund at the financial year-end, ready to deploy in appropriate emergency situations. Through our Facebook and Twitter pages, we seek to raise awareness of the appeal, and encourage donations through our JustGiving fundraising page.

RESTRICTED INCOME FUNDS

We acknowledge the receipt of restricted funds totalling almost £75k (2020: £130k) in our financial statements and details are provided at notes 2 and 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 £288k, up from £220k in the previous year, and almost 150% 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, sadly, 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 £91k (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, small fees to sites such as JustGiving and, when these occur (nil this year), some small costs of fund-raising events. We are grateful to all those who support our work, individuals, trusts and grant making bodies.

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.

- Major incident during staff travel;
- Dependence on key personnel, absence, loss or failure to recruit; and
- Political instability creating operational and/or security issues overseas, impacting income and/or staff safety;

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 2021/22 and beyond.

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. The balance on the Unrestricted income fund at the year-end, after remaining designation of £115k to three specific projects, represents about 8.4 months of budgeted unrestricted expenditure, the higher number being deemed appropriate in the current very challenging operational and funding environment.

Based on the financial position at the 30th September and the Business Plan for the 2021/22 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

The charity only has one member, Shared Interest Society, and there is a high degree of overlap between the Boards of both organisations. The charity does not therefore hold an Annual General Meeting but the Board of the Society will re-appoint Armstrong Watson Audit Limited as auditors for the year which began on 1 October 2021.

Signed on behalf of the Board

M Coyle
Chair of Trustees
15 December 2021

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SHARED INTEREST FOUNDATION

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Shared Interest Foundation (the 'charitable company') for the year ended 30 September 2021 which comprise the Statement of Financial Activities, the Balance Sheet, and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 September 2021 and 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Trustees' Report other than the financial statements and our Auditor's Report thereon. The Trustees are responsible for the other information contained within the Trustees' Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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 in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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.
- the Trustees' Report has been prepared in accordance with applicable legal requirements

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 requires us to report to you if, in our opinion:

- the charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees' were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on on page 6, 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 and for being satisfied that they give a true and fair view, and for such internal control as the Trustees 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.

Auditor's 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 Auditor's 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations and in particular, adherence to the Charities Act;
- we identified the laws and regulations applicable to the charitable company through discussions with trustees and other management and review of appropriate industry knowledge;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charitable company financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures as a risk assessment tool to identify any unusual or unexpected relationships; and
- tested journal entries to identify unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation; and
- enquiring of management as to actual and potential litigation and claims.

Due to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations.

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 Auditor's Report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Simon Turner (Senior statutory auditor)

Armstrong Watson Audit Limited
Chartered Accountants
Statutory Auditors

Suite 15 & 17
11 Waterloo Street
Newcastle upon Tyne
NE1 4DP

Date: 15 December 2021

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 30 SEPTEMBER 2021

	Note	Unrestricted funds	Restricted funds	**Total funds**	Total funds
		2021	2021	**2021**	2020
Income from:		£	£	**£**	£
Donations and legacies	2	287,374	3,013	**290,387**	223,678
Charitable activities	3	-	71,625	**71,625**	125,450
Investment income	4	583	-	**583**	941
Total income		287,957	74,638	**362,595**	350,069
Expenditure on:					
Raising funds	7	11,044	-	**11,044**	12,652
Charitable activities	5, 6	185,689	107,416	**293,105**	185,262
Total expenditure		196,733	107,416	**304,149**	197,914
Net income / (expenditure) before transfers		91,224	(32,778)	**58,446**	152,155
Transfers between funds		-	-	-	-
Net income / (expenditure)		91,224	(32,778)	**58,446**	152,155
Net movement in funds		91,224	(32,778)	**58,446**	152,155
Reconciliation of funds:					
Total funds at 1 October		219,015	106,811	**325,826**	173,671
Total funds at 30 September		310,239	74,033	**384,272**	325,826

All activities relate to continuing operations.

The notes on pages 13 to 18 form part of these financial statements.

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 30 SEPTEMBER 2020

Previous Financial Year	Unrestricted funds	Restricted funds	**Total funds**
	2020	2020	**2020**
Income from:	£	£	**£**
Donations and legacies	219,355	4,323	**223,678**
Charitable activities	-	125,450	**125,450**
Investment income	941	-	**941**
Total income	220,296	129,773	**350,069**
Expenditure on:			
Raising funds	12,652	-	**12,652**
Charitable activities	155,243	30,019	**185,262**
Total expenditure	167,895	30,019	**197,914**
Net income before transfers	52,401	99,754	**152,155**
Transfers between funds	-	-	-
Net income	52,401	99,754	**152,155**
Net movement in funds	52,401	99,754	**152,155**
Reconciliation of funds:			
Total funds at 1 October	166,614	7,057	**173,671**
Total funds at 30 September	219,015	106,811	**325,826**

BALANCE SHEET
AT 30 SEPTEMBER 2021

	Note	2021	2020
		£	£
Current assets			
Debtors and prepayments	11	**14,108**	27,120
Cash at bank and in hand	12	**268,511**	197,036
Deposits with credit institutions	13	**108,573**	107,970
Total current assets		**391,192**	332,126
Creditors: amounts falling due within one year	14	**(6,920)**	(6,300)
Net current assets		**384,272**	325,826
Net assets		**384,272**	325,826
Charity funds			
Restricted funds	15, 16, 17	**74,033**	106,811
Designated funds	15, 17	**193,498**	149,697
Unrestricted funds	15, 17	**116,741**	69,318
Total funds		**384,272**	325,826

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 15 December 2021.

Signed on behalf of the Board of Trustees

M Coyle
Chair of Trustees

The notes on pages 13 to 18 form part of these financial statements.

Company registration number: 4833073

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 2022.

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 2021, Shared Interest Society Ltd.

(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 applicable expenditure headings. 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.

2. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds 2021 £	Restricted funds 2021 £	**Total funds 2021 £**	Total funds 2020 £
Individuals	282,930	3,013	**285,943**	221,178
Trusts and corporate	4,444	-	**4,444**	2,500
	287,374	3,013	**290,387**	223,678

In 2020, of the total income from donations and legacies, £219,355 related to unrestricted funds and £4,323 related to restricted funds.

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2021 £	Restricted funds 2021 £	**Total funds 2021 £**	Total funds 2020 £
Allan & Nesta Ferguson Charitable Trust - Growing Fairer Futures	-	-	**-**	20,000
Evan Cornish Foundation - Bees For Business Part 2 (Burkina Faso)	-	-	**-**	8,000
Anonymous - Growing Fairer Futures Cote d'Ivoire	-	-	**-**	75,000
Anonymous - Nicaragua Sesame Farming	-	20,000	**20,000**	-
Marr-Munning Trust - Coffee Farming Uganda	-	28,675	**28,675**	-
Guernsey Overseas Aid & Development - Bees For Business (Sideradougou)	-	22,450	**22,450**	22,450
Mr TM Dickerty - Dakoro Well Construction	-	500	**500**	-
	-	71,625	**71,625**	125,450

In 2020, of the total income from charitable activities, £125,450 related to restricted funds.

4. INVESTMENT INCOME

	Unrestricted funds 2021 £	Restricted funds 2021 £	**Total funds 2021 £**	Total funds 2020 £
Interest received	583	-	**583**	941
	583	-	**583**	941

In 2020, of the total investment income, £941 related to unrestricted funds.

5. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES

	Activities undertaken directly	Grant funding of activities	Support costs	**Total 2021**	Total 2020
	£	£	£	**£**	£
Bees for Business	-	-	-	**-**	111
Bees for Business Part 2 (Burkina Faso)	3,324	4,616	2,418	**10,358**	12,088
Bees for Business Sideradougou	3,627	43,255	14,965	**61,847**	9,316
Coffee Farming Uganda	5,992	8,608	4,411	**19,011**	-
Coffee Production in Peru	35,001	-	11,076	**46,077**	-
Crafting Fairer Futures	-	-	-	**-**	297
Dakoro Warehouse Project	1,888	-	530	**2,418**	-
East Africa Governance and Finance Training	-	-	-	**-**	21,880
Environmental Sustainability Nicaragua	-	-	-	**-**	2,658
Ghana Soilless Farming	20,876	-	6,433	**27,309**	-
Growing Fairer Futures	3,484	2,066	1,679	**7,229**	72,255
Growing Fairer Futures Cote d'Ivoire	4,370	41,046	14,340	**59,756**	-
Growing Fairer Futures Rwanda	21,171	-	6,528	**27,699**	-
Livelihood Security Fund	-	-	-	**-**	37,635
New projects	4,228	-	1,186	**5,414**	10,523
Nicaragua Sesame Farming	12,012	7,825	6,150	**25,987**	-
Providing Sustainable Solutions to Poverty in Malawi	-	-	-	**-**	18,499
	115,973	107,416	69,716	**293,105**	185,262

6. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

	Unrestricted funds 2021	Restricted funds 2021	**Total funds 2021**	Total funds 2020
	£	£	**£**	£
Bees for Business	-	-	**-**	111
Bees for Business Part 2 (Burkina Faso)	5,742	4,616	**10,358**	12,088
Bees for Business Sideradougou	18,592	43,255	**61,847**	9,316
Coffee Farming Uganda	10,403	8,608	**19,011**	-
Coffee Production in Peru	46,077	-	**46,077**	-
Crafting Fairer Futures	-	-	**-**	297
Dakoro Warehouse Project	2,418	-	**2,418**	-
East Africa Governance and Finance Training	-	-	**-**	21,880
Environmental Sustainability Nicaragua	-	-	**-**	2,658
Ghana Soilless Farming	27,309	-	**27,309**	-
Growing Fairer Futures	5,163	2,066	**7,229**	72,255
Growing Fairer Futures Cote d'Ivoire	18,710	41,046	**59,756**	-
Growing Fairer Futures Rwanda	27,699	-	**27,699**	-
Livelihood Security Fund	-	-	**-**	37,635
New Projects	5,414	-	**5,414**	10,523
Nicaragua Sesame Farming	18,162	7,825	**25,987**	-
Providing Sustainable Solutions to Poverty in Malawi	-	-	**-**	18,499
	185,689	107,416	**293,105**	185,262

In 2020, of the total expenditure, £155,243 was expenditure from unrestricted funds and £30,019 was expenditure from restricted funds.

7. ANALYSIS OF RESOURCES EXPENDED BY EXPENDITURE TYPE

	Staff costs 2021 £	Other costs 2021 £	**Total 2021 £**	Total 2020 £
Expenditure on:				
Raising funds	10,454	590	**11,044**	12,652
Charitable activities				
Bees for Business	-	-	**-**	111
Bees for Business Part 2 (Burkina Faso)	3,508	6,850	**10,358**	12,088
Bees for Business Sideradougou	4,782	57,065	**61,847**	9,316
Coffee Farming Uganda	7,288	11,723	**19,011**	-
Coffee Production in Peru	5,815	40,262	**46,077**	-
Crafting Fairer Futures	-	-	**-**	297
Dakoro Warehouse Project	1,888	530	**2,418**	-
East Africa Governance and Finance Training	-	-	**-**	21,880
Environmental Sustainability Nicaragua	-	-	**-**	2,658
Ghana Soilless Farming	7,493	19,816	**27,309**	-
Growing Fairer Futures	2,719	4,510	**7,229**	72,255
Growing Fairer Futures Cote d'Ivoire	8,294	51,462	**59,756**	-
Growing Fairer Futures Rwanda	7,501	20,198	**27,699**	-
Livelihood Security Fund	-	-	**-**	37,635
New projects	4,229	1,186	**5,415**	10,523
Nicaragua Sesame Farming	6,248	19,738	**25,986**	-
Providing Sustainable Solutions to Poverty in Malawi	-	-	**-**	18,499
	59,765	233,340	**293,105**	185,262
	70,219	233,930	**304,149**	197,914

8. SUPPORT COSTS

	2021 £	2020 £
Office costs including training	**22,983**	23,478
Wages and salaries	**5,505**	5,606
Support services provided by Shared Interest Society	**31,697**	33,022
Marketing costs	**5,931**	4,952
Governance costs	**3,600**	3,300
	69,716	70,358

9. NET INCOME / EXPENDITURE

This is stated after charging:

	2021 £	2020 £
Auditors' remuneration (audit services)	**3,600**	3,300

10. STAFF COSTS

Staff costs were as follows:	2021	2020
	£	£
Wages and salaries	**68,805**	69,242
Social security costs	**2,384**	2,402
Defined contribution pension costs	**2,453**	2,349
	73,642	73,993

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

	2021	2020
	Number	Number
Raising funds	**1**	1
Charitable activities	**1**	1
	2	2

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 (2020: £Nil). The Trustees did not have any expenses reimbursed during the year (2020: £Nil).

11. DEBTORS AND PREPAYMENTS

	2021	2020
	£	£
Prepayments	**1,933**	3,053
Accrued income	**6,163**	15,473
Amounts owed from group undertakings	**6,012**	8,594
	14,108	27,120

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

12. CASH AT BANK AND IN HAND

	2021	2020
	£	£
Cash at bank and in hand	**268,511**	197,036
	268,511	197,036

13. DEPOSITS WITH CREDIT INSTITUTIONS

	2021	2020
	£	£
Deposits repayable in not more than three months	**27**	27
Deposits repayable in not more than one year	**108,546**	107,943
	108,573	107,970

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Accruals	**6,920**	6,300
	6,920	6,300

15. CHARITY FUNDS

	Restricted funds 2021	Unrestricted and designated funds 2021	**Total funds 2021**	Total funds 2020
	£	£	**£**	£
Current assets	74,033	317,159	**391,192**	332,126
Current liabilities	-	(6,920)	**(6,920)**	(6,300)
	74,033	310,239	**384,272**	325,826

In 2020, of current assets £106,811 was restricted and £225,315 was unrestricted and designated funds and of current liabilities £6,300 was unrestricetd and designated.

16. RESTRICTED FUNDS

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

	2021	2020
	£	£
Bees For Business Part 2 (Burkina Faso)	**-**	4,616
Bees for Business-Sideradougou	**-**	20,805
Coffee Farming Uganda	**20,067**	-
Dakoro Warehouse Project	**500**	-
Growing Fairer Futures	**-**	2,067
Growing Fairer Futures Cote d'Ivoire	**33,954**	75,000
Livelihood Security Fund	**7,336**	4,323
Nicaragua Sesame Farming	**12,176**	-
	74,033	106,811

17. MOVEMENT IN FUNDS

	Balance at 1 October 2020	Income	Expenditure	Transfer between funds	Designation of funds	**Balance at 30 September 2021**
	£	£	£	£	£	**£**
Unrestricted funds	69,318	287,957	(125,938)	-	(114,596)	**116,741**
Designated funds	149,697	-	(70,795)	-	114,596	**193,498**
Restricted funds	106,811	74,638	(107,416)	-	-	**74,033**
	325,826	362,595	(304,149)	-	-	**384,272**

In 2020 the Trustees designated £128k to three projects which are ongoing. The Trustees have designated a further sum of £115k at the year-end for another three projects.

18. ULTIMATE PARENT COMPANY

The ultimate parent undertaking and controlling party of Shared Interest Foundation is Shared Interest Society Ltd (a Registered Society in the UK, registration number IP27093R) by virtue of Shared Interest Society Ltd being the only member of the Foundation. The financial statements of Shared Interest Society Ltd are available from the registered office of Shared Interest Foundation, as shown on page 3.