

**THE TRAIDCRAFT EXCHANGE  
REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 MARCH 2020**

Charity number: 1048752

Company number: 03031674

## THE TRAIDCRAFT EXCHANGE

---

<b>CONTENTS</b>	<b>PAGES</b>
Report of the Trustees, including:	1 – 15
Reference and Administrative Details	1
Our Purposes and Activities	2 – 3
Achievements and Performance	4 – 9
Financial review	10 - 13
Plans for Future Periods	14
Structure, Governance and Management	14 - 15
Trustees' Responsibilities for the Financial Statements	16
Auditor's Report	17 – 19
Statement of Financial Activities and Income and Expenditure Account	20
Balance Sheet	21 – 22
Statement of Cash Flows	23
Notes to the Financial Statements	24 - 49

The trustees believe that it is right to account for the fulfilment of Traidcraft's mission within the context of its overall impact on stakeholders. In addition to these financial statements the Charity publishes an Impact Report and routinely shares stories of impact through our website ([www.traidcraft.org.uk](http://www.traidcraft.org.uk)), as well as using social media.

# THE TRAIDCRAFT EXCHANGE

## REPORT OF THE TRUSTEES

---

### **REFERENCE AND ADMINISTRATIVE DETAILS**

#### **Trustees of Traidcraft Exchange**

Ram Gidoomal - Chair  
Robin Roth  
Jenny Borden  
Matt Edmundson (resigned September 2019)  
Sarah Hughes  
David Neale  
Chris Moorhouse  
Laurence Sewell  
David Pain (appointed January 2020)

#### **Key Management Personnel (Senior Management Team during 2019/20)**

Esther Stevenson - Interim Chief Executive (appointed 1st November 2018, leaver date 3rd July 2019)  
Charlotte Timson – Director of Traidcraft Exchange (maternity leave April – July 2019), appointed Chief Executive 1st September 2019  
Maveen Pereira – Director of Programmes  
Liz May - Director of Policy & Advocacy, leaver date 23rd April 2019  
Mark Dearn – Head of Policy & Advocacy, appointed 13th May, leaver date 15th August 2019  
Mary Milne - Head of Campaigns and Communications  
Amy Wilson – Head of Fundraising  
Nicki Davies Jones – Director of HR, leaver date 31st May 2019  
Sally Thompson – Head of Finance, leaver date 21st November 2019  
Thomas Royle – Head of Finance, appointed 6th January 2020  
Olivia Walker – Senior HR and Operations Manager, appointed 8th July 2019  
Alexander Carnwath – Head of Policy & Advocacy, appointed 21st January 2020

#### **PRINCIPAL PROFESSIONAL ADVISERS**

The Traidcraft Exchange Ltd (Traidcraft Exchange) is a registered charity and also a company limited by guarantee registered in England.

Registered charity number      1048752

Registered company number      03031674

Registered Office:                      7 – 15 Pink Lane, Newcastle Upon Tyne, NE1 5DW

Auditor:                                      UNW LLP, Citygate, St James' Boulevard, Newcastle upon Tyne, NE1 4JE

Banker:                                        HSBC Bank Plc, 110 Grey Street, Newcastle upon Tyne, NE1 6JG

Principal legal adviser:                Muckle LLP, 32 Gallowgate, Newcastle upon Tyne, NE1 4BF

# THE TRAIDCRAFT EXCHANGE

## REPORT OF THE TRUSTEES

---

The trustees present their annual report together with the audited financial statements of the company for the year 1 April 2019 to 31 March 2020. The trustees confirm that the Annual Report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) as amended by Update Bulletin 1 (effective 1 January 2019). The financial statements comprise the accounts of the Traidcraft Exchange and Traidcraft Services India Private Limited, a subsidiary of Traidcraft Exchange. In these accounts "Charity" means Traidcraft Exchange or the charitable group comprising The Traidcraft Exchange and Traidcraft Services India Private Limited.

### **OUR PURPOSES AND ACTIVITIES**

Trade has the potential to generate wealth, support livelihoods and create lasting solutions to poverty. However most mainstream trade relies on cheap labour and assumes unlimited natural resources. It is not fair or sustainable and urgently needs to be transformed. Traidcraft Exchange challenges injustice in trade and works with poor and vulnerable people to help them get a fair share of the rewards. With the UK government's renewed focus on trade, and the Sustainable Development Goals calling for businesses to play a role in ending poverty, there has never been a greater opportunity to change trade for good.

Our vision: A world without poverty, where all trade is fair.

Our mission: To use the power of trade to change the lives of people living in poverty. We challenge injustice in trade and work with others to make it fair and sustainable.

Traidcraft Exchange was founded on Christian principles. Our deep-rooted belief in justice for the poor and the value and dignity of all human beings is grounded in the Christian faith. We work with people of all faiths and none, and our values resonate far beyond the Christian community.

Traidcraft Exchange was set up over thirty years ago to work in partnership with Traidcraft plc, demonstrating that alternatives to mainstream trade are possible. It operates for the public benefit through the charity's following purposes:

- 1) To deliver development projects across the developing world that enable poor producers to grow their businesses, find markets and engage in local and international trade - helping people to build the skills, knowledge and confidence to work their way out of poverty.
- 2) To raise public awareness of injustice and build public support for trade justice and corporate accountability through policy advocacy and campaigning.

# THE TRAIDCRAFT EXCHANGE

## REPORT OF THE TRUSTEES

---

### **INTERNATIONAL DEVELOPMENT ACTIVITIES**

Our international programmes are mainly based in East Africa (and Senegal) and South Asia (India and Bangladesh) where we have offices. We have a wide range of projects that work in different sectors and we aim to identify and remedy many of the issues that small-scale producers face in trading effectively and having decent work. Through our projects we:

- Help farmers and artisans to form groups and work collectively;
- Improve the provision of business services to poor producers;
- Build the skills and capacity of small enterprises to develop viable businesses and increase their competitiveness, engagement in supply chains, leading to increased income;
- Enable small-scale farmers to increase productivity, decrease costs and make the most from their landholdings and assets;
- Enable farmers and artisans to diversify, and find new markets for their crops or products;
- Support farmers and artisans to cope better with climate change and adopt sustainable production methods;
- Encourage businesses to adopt more responsible practices;
- Enhance the policy environment in favour of poor people.

### **POLICY AND CAMPAIGN ACTIVITIES**

Our policy and campaign programme influences policy makers in the UK, the European Union and within large companies by promoting trade justice and responsible corporate practices. We also seek to promote the effective development of thinking and practice within the global fair-trade movement. We do this by:

- Conducting research and monitoring developments in trade investment and business practice;
- Lobbying those with the power to make a difference;
- Encouraging our supporters to campaign for change.

Current activities focus on power in global supply chains, trade and investment policy, post-Brexit trade and agriculture, and business and human rights.

Our aims and activities fully reflect the purposes that Traidcraft Exchange was set up to further. The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular, the trustees have considered how planned activities will contribute to the aims and objectives they have set. We believe our work and impact are as important as ever in the fight against global poverty.

# THE TRADCRAFT EXCHANGE

## REPORT OF THE TRUSTEES

---

### **ACHIEVEMENTS AND PERFORMANCE**

At the end of the second year of our new strategic framework (2018-23), we have made progress in achieving our ambitions while reviewing and adjusting our direction given some significant changes in our operating environment. The key highlights of 2019/20 include:

#### **INTERNATIONAL DEVELOPMENT PROGRAMME**

We have continued to deliver excellent projects with workers, artisans and producers both in Africa and South Asia. In addition to implementing projects on the ground, we have also developed a new strategic approach to ensure more women are empowered in trade and supply chains. We have also reviewed our approach to working with small producers, ensuring our learning from our work influences our future approach. At the time of this report, all teams are reviewing our strategy with a view to increase focus and resilience of the organisation. We have also invested time to learn from our work in the Honey, Sustainable Agriculture, and our Group Savings & Investment Scheme. We have continued to sharpen our overall approach to measuring and communicating our overall impact as an organisation. In the last quarter of 19-20, we have been hit with the Covid-19 pandemic which is having devastating impact on producers and local economies. The teams have been fully engaged in responding to this crisis, providing relief to the most vulnerable, while reconsidering the future direction of our work on individual projects as well, keeping Covid-19 in mind

#### **South Asia Projects**

We have continued to implement **Sustainable Skills and Employment in Small Scale Agro-food Processing' (SHAMERTO)** in Bangladesh, which has had a 3-month extension and will now end in June 2020. This project is strengthening the skills, employability and income of 25,000 workers/entrepreneurs of agro-food processing small, micro and cottage enterprises. We have begun to draw out learning from this project and how we can replicate this in other sectors.

The Khamatayan project, **'Empowering smallholders to strengthen local democratic governance'**, is working well to empower 20,000 smallholder farmers to have greater access to local democratic governance, enabling them to collectively voice, demand and negotiate their economic and social rights by actively engaging with local authorities. Covid 19 and Cyclone Amphan has had a negative impact on the communities and teams are working hard to support the affected communities.

The project, **'Unlocking the potential of the backyard garments sector to reduce poverty and waste in South Asia: An action-research study on growth potential in Bangladesh and India'** is funded by TR Aid. This is an action research project which ended in March 2020, and worked with the backyard garments sector in Bangladesh, to explore how improved business growth can make a positive contribution in reducing negative environmental impact caused by garment waste. This would also bring economic prosperity and poverty reduction to rural areas by creating new job opportunities. The potential to work in this sector to reduce migration to Dhaka is positive, so the team will explore new avenues of funding. Women in particular benefited through upgradation of skills for these garmenting businesses

Our project, **'Fighting Forced Labour with Adivasi and Dalit Communities in South Asia'**, which covers India and Bangladesh, is showing a lot of success but with Covid-19, the vulnerability of these migrant communities has increased. Besides providing immediate relief, we are reviewing what may need to change in the project strategy.

**Hidden Homeworkers – Improving Transparency and Traceability to Improve Working Conditions of Homeworkers in Apparel and Footwear Chains** is the second project that was started on 1<sup>st</sup> April 2019 to cover India, Nepal and Pakistan. The project is going well but again affected by Covid-19, with a majority of homeworkers losing work as businesses cancel orders. Again, this calls for a review of how we can work with homeworkers going forward. Both projects are funded by the European Commission.

# THE TRAIDCRAFT EXCHANGE

## REPORT OF THE TRUSTEES

---

### **Africa Projects**

Our project in Senegal is nearing completion (with a short extension due to the pandemic to complete all activities successfully). We await the results of the external evaluation and will draw our learnings for our future work with forest communities.

The project, **'Sustainable Agriculture & Women's Advancement: Improving Livelihoods and Establishing Women led Enterprises with Smallholder Farmers in Meru County Kenya (SAWA)** aims to economically empower and improve the sustainable livelihoods of 1,500 female and 500 male smallholder vegetable farmers in Buuri, funded by the Department for International Development (DFID). Besides farmers and workers being negatively affected by the pandemic, we have also hit some barriers with the partner that has not delivered the project at the expected pace. As a result, after much deliberation, we have decided to cancel our contract with the partner and work with the communities directly so that these communities' benefit to the fullest extent. This project, which works with farmers (particularly women), will reach 2,000 households over 3 years, to impact the livelihoods of 10,000 people.

Our project, **Promoting the Inclusion of People with Disabilities in Cocoa, Coffee and Palm Oil Value Chains**, launched in September 2019 is focused on providing people with disabilities with sustainable livelihood opportunities in the coffee, cocoa and palm oil value chains. Overall, this project will impact on 1,000 people with disabilities and 500 farmers and micro entrepreneurs without disabilities. In the last year however, we have been confronted by safeguarding issues at the partner board level, which, whilst it did not affect our project or team, it resulted in the donor (National Lottery Community Fund) suspending all funding to the partner until the investigation was completed, with Traidcraft Exchange implementing the project directly in the interim. The investigation was completed, and the issues resolved, so we can now continue the project. However, the project is behind on activities, so will need to pick up speed now.

### **Supply Chain Services**

We have continued to develop a more commercial approach, selling our services through our company in India and also in the UK.

2019/20 was a weaker year for **Traidcraft India Services Private Limited**, the wholly owned subsidiary of Traidcraft Exchange in India, and it was unable to turn a surplus. However, with two new multi-country programmes, TX has had to work closely with TSIPL to get these projects going. The key areas in the last year were work with bonded labour, improving the conditions for homeworkers, supporting market linkages for small farmer companies, and supporting the needs of vulnerable tribal communities.

The UK team has likewise tried to get some consulting assignments and have worked with Rectella in their charcoal supply chain in Namibia, and the rubber supply chain in Sri Lanka. Several conversations continue with other companies.

### **Catalyst Fund**

The Catalyst Fund supports innovation and the development of new ideas that assist vulnerable producers to engage more effectively with trade, pioneering new sectors, models and approaches to fairer trade. In the last year we have continued to develop new work through which we have used the resource as a leverage to raise a further £767k of new work for Traidcraft Exchange.

# THE TRAIDCRAFT EXCHANGE

## REPORT OF THE TRUSTEES

---

### **POLICY AND CAMPAIGN PROGRAMME**

Traidcraft Exchange's policy and campaigning work seeks wider impact by holding UK businesses and governments to account for their impact in promoting an enabling environment that supports fairer trade. This year the main achievements have been the completion of our "Who Picked my Tea?" campaign relating to working conditions on Assam tea estates, raising awareness of impact on developing countries of different trade options, launching "Our Land, Our rights" campaign to promote mandatory human rights due diligence and EU-level work on Unfair Trading Practices. We have been adapting our approach to campaigning work and increased our digital presence. Encouragingly, we received a Bond award in 2019. This award celebrated creative approaches to fundraising in the international development context and was awarded for our Hidden Entrepreneur fundraising campaign.

#### **Assam tea campaign**

We launched the 'Who picked my tea' campaign in May 2018 with the flagship media report 'The Estate We're In'. The campaign called on the 6 biggest UK tea brands (Yorkshire Tea, Twinings, Tetley, PG Tips, Typhoo and Clipper) to publish the list of tea estates they buy from in Assam. We then launched a postcard and e-mail action. All of the six brands published their supplier list, with Typhoo publishing in May 2019. In addition, Rington's tea and Marks and Spencer's both published their supplier lists without being targeted. This now represents over 70% of the UK tea market. At a global level, Unilever updated its supplier list to publish all of its suppliers for all of its tea sales in September 2019. This transparency is a step-change in transparency in a previously notoriously closed and secretive sector. Over 10,000 campaigners took part in this action. Traidcraft is now working with others to enable this information to reach those who would find it useful and support different Assam partners to push for change.

Raising awareness with UK consumers about the problems in the Assam tea sector, researching/promoting alternative business models, researching/promoting transparent supply chains and other activities have been funded by a European grant which will end in summer 2020.

#### **European Union Directive on Unfair Trading Practices**

Over the last decade, Traidcraft Exchange have argued for European laws to prevent supermarkets and big food brands abusing their suppliers through a variety of practices such as failing to pay on time or changing orders at the last minute. In April 2019, that work came to fruition with the introduction of a new EU law on Unfair Trading Practices, which will be implemented in member states by April 2021. This bans a variety of unfair business practices and will mean that suppliers (including farmers in developing countries) that sell to big EU food businesses will be able to complain to a regulator if they feel that they are being subjected to illegal treatment. Traidcraft Exchange were part of a small group of EU organisations that lobbied MEPs and officials intensively on this law, and we were delighted that our main recommendations (ensuring protection for non-EU suppliers and reserving the right of NGOs to complain on behalf of suppliers) were incorporated into the final text. In January 2020 we started work to explore the possibility for passing similar legislation to stop abusive purchasing practices by European garment retailers.

#### **JRCT**

Our policy and campaigning work on corporate accountability has been partially supported by the Joseph Rowntree Charitable Trust. In the last year, this has involved launching a supporter campaign, 'Our Land. Our Rights', bringing attention to the situation of Liberian communities who have had their land stolen by a British palm oil company and calling on the government to legislate to hold companies to account for violating human rights.



## **THE TRAIDCRAFT EXCHANGE**

### **REPORT OF THE TRUSTEES**

---

The campaign received good coverage in the Guardian, who sent a reporter to accompany our policy advisor to visit communities in Liberia in November.

The next step for this work is ongoing advocacy work, in collaboration with civil society colleagues, to awareness for this agenda amongst ministers and parliamentarians.

# THE TRAIDCRAFT EXCHANGE

## REPORT OF THE TRUSTEES

---

### **RAISING FUNDS**

#### Institutional Funding:

The level of funding secured during 2019/20 from Traidcraft Exchange’s institutional donors, has fallen compared to previous years, and was significantly below the target of £2m. During the year, we raised £767k of new contract value. The major pieces of work relate to work in India to work with forest communities, and work on the garment sector regulatory mechanisms at the EU level. There are a few proposals with donors that we are waiting to hear about, but the success rate during the year has been very low.

#### Public Fundraising, Trusts and Legacies:

	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>
<b>Restricted Income Raised (£ millions)</b>	2.6m	1.9m	1.7m
<b>Unrestricted Income Raised (£’000s)</b>	40	62	23

The total net income 2019/20 for fundraising came in £46k above target.

Trusts and legacies performed very well and the return on investment in fundraising remains at a healthy level.

The new strategy set in 2018/19 and implemented in 2019/20, is now operating on a principle of continuous improvement and is showing positive signs despite the various challenges we face.

Part of the strategy was to focus on building new TX-owned fundraising initiatives and increasing the value of existing TX-owned income streams in order to work towards becoming less-reliant on income from Traidcraft PLC. This effort is showing positive signs and across Big Brew, Raffle, Challenge, Campaigns, Committed Giving and Freewill Donations we have increased the value on these, TX-owned income streams, by £70,000.

Notably the value of our committed givers increased by £30,000 on the prior year and the total lifetime value of new donors recruited in 2019/20 was £180k. We intend to continue to develop this sustainable source of income in future.

Income on raffle also increased in value by 150% on the prior year while challenge income trebled. Restricted income from Trusts bounced back to normal levels as staffing issues were resolved.

However, public fundraising overall is showing a significant decline on the prior year and is £167k down on budget as expected.

Income came in at £1,008m against the prior year’s income of £1,291m– a decrease of £283k in gross income – cost savings and over-performance on legacies and trusts ensured overall we came in on budget – however this remains a high risk area.

New income is not yet able to meet the losses we have seen across Traidcraft PLC income lines and also community lines.

Income from community-based income streams is still in decline with over 1,000 fair traders closing within the last 18 months. There is also the wider issue of declining congregation numbers and an ageing database which are all contributing to this decline.

## THE TRAIDCRAFT EXCHANGE

### REPORT OF THE TRUSTEES

---

In 2019/20 we are now seeing clearly what the average value of our donor base is in sustainable and reliable year-on-year income in context with the new Traidcraft PLC business model.

In 2019/20 we received £124k less from Traidcraft PLC reliant income lines than in 2018/19 – and this equates to a significant proportion of the £283k decrease in public fundraising.

Alongside the fundraising strategy sits the new recruitment strategy which aims to recruit new audiences via campaigns to find a new and regular pipeline of donors outside of those coming in from Traidcraft PLC.

Our efforts to recruit new donors via our campaigns, raffle and digital channels are beginning to bear fruit and donor conversions are showing positive signs.

Improving the supporter journey remains a key pillar in the Fundraising Strategy, our mantra being to “delight the donor”. Various retention strategies were implemented in 2019/20 and we continue to develop new recapture techniques in 20/21 to ensure donors have every opportunity to re-engage with our work if they have lapsed.

Traidcraft Exchange is registered with the Fundraising Regulator and is an organisational member of the Institute of Fundraising - as such, Traidcraft Exchange has robust systems in place to ensure we abide by the Fundraising Code of Conduct and strive towards best practise wherever possible.

All formal complaints and suggestions for improvement are logged into the system and managed by the Head of Fundraising and, where the complaint is escalated, the CEO. In 2019/20 we received no formal complaints via the Fundraising Regulator and one informal complaint about our annual raffle. The matter was dealt with appropriately and the donor was satisfied.

We do not currently undertake any tele-marketing, text marketing or face-to-face marketing activities or use the services of any third-party professional fundraisers. We only market via email to those we have consent from and there is a link to our privacy statement and opportunity to opt out of e-marketing with every marketing email sent.

GDPR procedures are in place to ensure all supporters are instructed as to how to opt out of marketing and to ensure legitimate interest criteria are fulfilled and logged for each mailing.

Staff have received training and there are various flags in the system so ensure we do not market to vulnerable people. Confidentiality agreements are in place with all existing contractors and currently there are no business partnerships in place, save those of our sister business, Traidcraft plc with which a data-sharing agreement is in place alongside a Confidentiality Agreement.

# THE TRAIDCRAFT EXCHANGE

## REPORT OF THE TRUSTEES

---

### **FINANCIAL REVIEW**

Traidcraft Exchange had a tough year with an unrestricted deficit of £292k (2019: £74k surplus) before other recognised gains and losses.

#### Performance against budget targets:

Despite a difficult year performance was better than budget for the year, predominantly due to better than anticipated cost control across departments and an increase in legacies received. Several departments had savings in expenditure versus the target and a few vacancies or new roles were not filled or were put on hold, so there were salary savings during the year. This helped to reduce the planned deficit that had been originally budgeted.

There was a significant underspend on a development project due to some issues with partners, so we spent less restricted charitable expenditure and did not generate as much restricted income as targeted. This underspend will be reversed during the remaining years of the project.

#### Performance against previous years:

Total income for the charity remained consistent at £3.1m (2018/19: £3.2m). Apart from legacies, most other income streams remained steady. Individual donations fell due to the impact of the restructuring of Traidcraft PLC, however restricted grant income increased due to new projects starting and activity levels were high on a number of on-going projects.

	<b>£'000s</b>	<b>2017 - 18</b>	<b>2018 - 19</b>	<b>2019 - 20</b>
<b>Incoming resources</b>		3,134	3,182	3,090

Charitable expenditure was up on prior year and much increased over 2017-18. This was due to a rise in both international development and policy and campaigning expenditure as a few new projects started and activities increased on projects that started part way through the previous year

	<b>£'000s</b>	<b>2017-18</b>	<b>2018 - 19</b>	<b>2019 - 20</b>
<b>Charitable expenditure</b>		2,254	2,612	2,695

We started the year with reserves in a good position and reserves as at March 2020 remain well above the target minimum set by the Board of £547,000.

	<b>£'000s</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019 -20</b>
<b>Unrestricted surplus*</b>		249	74	(292)
<b>Unrestricted reserves - General</b>		1,113	1,097	817

*\*before other recognised gains and losses (defined benefit pension scheme and exchange rate movements)*

## THE TRAIDCRAFT EXCHANGE

### REPORT OF THE TRUSTEES

---

#### **RISK MANAGEMENT**

The Board is responsible for Traidcraft Exchange's system of internal control and for reviewing its effectiveness. Such a system is designed to manage, but not eliminate, the risk of failure to achieve our objectives. Responsibility for managing the risks has been allocated within the executive team and, where appropriate, actions needed have been built into departmental action plans. Management, on behalf of the Board, ensures the operation and effectiveness of Traidcraft Exchange's system of internal financial controls by the following means:

- Control environment – creating an organisational structure with clearly defined responsibilities for internal financial control.
- Operating controls – each department maintains financial controls and procedures appropriate to its own business environment conforming to overall standards and guidelines.
- Financial reporting – implementing comprehensive management reporting disciplines which involve the preparation of annual budgets by all departments. The budgets are reviewed by management and passed to the Board for approval, and financial performance against budget is monitored, with minutes and management accounts tabled at quarterly Board meetings.

The principal risks identified by the Board continue to be in the challenge of raising restricted donations for large institutional projects and our ability to increase our portfolio of donors. Brexit has meant that we will no longer be eligible for EC funding for our policy and advocacy work in the UK and it will affect eligibility for some, but not all of the international funding lines we have previously accessed.

With the COVID-19 crisis, we are seeing donors increasingly focusing their attention on UK issues and with the anticipated impact of COVID on the economy, we expect DFID and trusts and foundations to cut budgets. Institutional fundraising targets funding for a few large projects and therefore income from this source tends to fluctuate greatly between financial years depending on how many funding bids are successful in a particular 12-month period. 2019/20 was a challenging year for us and we did not receive the level of funding we had budgeted for. The impact of this will be seen in upcoming years as we will likely face the need to downsize our programmes.

As highlighted in the new strategic approach, we have started to explore how we can work directly with businesses who are committed to addressing issues around sustainability and fair trade in their supply chains. The India company is making good progress in developing its profile and client base. We have been less successful in winning contracts from the UK supply chain services team and have initiated a review of this approach.

Whilst we are doing everything we can to invest in a sustainable financial model for the charity, we are cognisant of the ongoingly challenging external context, with increased competition between NGO's for reduced levels of funding, the increasing criticisms and challenge to the international development agenda within the UK media and the downward trend in public giving. COVID-19 will greatly impact on all charities' ability to raise funds and we are expecting our income to be affected in the upcoming year. We will continue to keep reserves at sufficient levels to cope with short-term fluctuations in income.

## THE TRAIDCRAFT EXCHANGE

### REPORT OF THE TRUSTEES

---

Other risks identified relate to project implementation either because of security concerns or the capacity of partner organisations we work with. We also continue to manage a set of risks with the new GDPR legislation as well as reviewing our safeguarding and other related people policies. We have developed a new Data Protection policy, in accordance with the EU General Data Protection Regulation 2016/679 (GDPR), to ensure personal data is treated in an appropriate and lawful manner. We have also reviewed and updated the Safeguarding policy. Traidcraft Exchange is fully committed to safeguarding the welfare of all children, young people and vulnerable adults and recognises its responsibility to take all reasonable steps to promote safe practice and to protect children and vulnerable adults from harm, abuse and exploitation.

The countries in which we operate experience varying degrees of insecurity and civil disorder, which impacts project implementation. Overseas trips for UK staff are carefully monitored to ensure that it is safe to travel. Some overseas staff also change travel plans due to political volatility and environmental factors. Thorough risk assessments take place prior to all staff travelling to ensure it is safe for them to do so and to minimize any potential risks.

All our overseas projects are developed and implemented in partnership with local organisations. These local organisations bring an understanding of the project context and the issues to be tackled ensuring that projects are appropriate to the local context. Along with our experience of small enterprise development, Traidcraft Exchange brings project design and management expertise. By working with partners in country we help build their capacity, however some partners have weak financial control systems which means expenditure needs to be closely monitored. Internal control procedures are periodically reviewed to ensure they are working correctly, and regular audits are carried out.

#### **RESERVES POLICY**

The trustees consider it prudent that Traidcraft Exchange should seek to maintain unrestricted reserves at a level sufficient:

- a. To meet matched funding requirements. Our minimum level is that we should hold 50% of the requirement for contracts to be implemented over the next 12 months. The maximum acceptable level would be to cover 100% of matched funding required for contracts to be implemented over the next 12 months;
- b. To cover a minimum of three months and a maximum of four months budgeted staff, overheads and fundraising costs and
- c. To cover pension liabilities; a range of between a minimum of one year's contributions and a maximum of 100% of the liability is recommended.

When calculating unrestricted reserves, fixed assets and investments are excluded due to their illiquid nature. The policy and target range of reserves are monitored and reviewed annually during the budget approval process to reflect risks and changes in income, financial obligations and expenditure. The target range for general unrestricted reserves, excluding pension reserves, set for 2019/20 was £547,000 - £885,000. At 31 March 2020, unrestricted reserves (excluding fixed assets and investments) stood at £817,000. We excluded the pension reserves as this is a long-term liability and instead set reserves to cover a minimum of one year's contribution into the scheme.

Our reserves are much higher than our minimum requirement and above our maximum requirement. Unrestricted reserves peak around March due to the timing of unrestricted donations. Our reserves will be reduced to nearer the minimum level during the year, as we continue to invest in implementing in the strategy and as we feel the implications of the challenges outlined above.

## THE TRAIDCRAFT EXCHANGE

### REPORT OF THE TRUSTEES

---

#### **GOING CONCERN**

After making enquiries, the trustees have a reasonable expectation that Traidcraft Exchange has adequate resources to continue in operational existence for the foreseeable future. They have paid particular attention to the likely impact of COVID on the organisation's income and ability to deliver its work. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

In view of the continuing pressure on fundraising, the trustees are aware of the general concern affecting the assessment of the going concern basis for all charities and have therefore taken particular care in reviewing the going concern basis. When reviewing their decision, they have taken the following factors into account:

- Traidcraft Exchange prepares an annual cashflow forecast as part of its budgeting process. The cashflow forecast is monitored on a monthly basis. Cashflow projections for the year following approval of these financial statements show that the Charity will have adequate funds to meet its liabilities as they fall due.
- As at 31 March 2020 Traidcraft Exchange has unrestricted reserves (excluding fixed asset and investments), of £817,000. Our reserves policy sets the target minimum reserve level at £547,000. The trustees feel the Charity has adequate reserves at the year end to support its ongoing operations and this view is supported by the cash flow projections.
- Traidcraft Exchange has set an achievable budget for the year 2019/20 and expects to post an unrestricted operating deficit of £290,077 which would reduce reserves to £528,923. This budget takes into account the impact COVID and Brexit could have on our income going forwards.
- Traidcraft Exchange has not encountered any difficulty in paying its trade creditors within agreed payment terms.

## THE TRAIDCRAFT EXCHANGE

### REPORT OF THE TRUSTEES

---

#### **PLANS FOR FUTURE PERIODS**

We are currently responding and adapting to the extraordinary challenges of COVID-19. We are working with partners to respond to the needs of those who are most affected, in particular informal and migrant workers who rely on a daily wage to live. We have also launched a campaign calling on UK clothing brands to honour their existing contracts, highlighting the devastating impact that companies cancelling orders and breaching contracts has had on workers in garment factories across Asia.

With the recently announced merger of DFID and FCO, and a number of donors reducing funding available to international development, we are re-assessing our strategy. The external context around us has changed significantly since we finalised our last strategic plan 2 years ago and we have recognised the need to reassess our approach and to develop a much more adaptive and responsive strategy and way of working that is resilient across a range of scenarios.

Whilst we have excess reserves in place, we need to reduce our operating costs in the medium term if we are to run a balanced budget in future. We are therefore this year planning to review our strategic approach and begin a process to restructure and downsize the organisation to ensure that our core costs align to the reduced income we are budgeting over upcoming years due to the challenges set out above.

#### **STRUCTURES, GOVERNANCE AND MANAGEMENT**

Traidcraft Exchange is a company limited by guarantee governed by its Memorandum and Articles of Association (updated 2011). It is registered as a charity with the Charity Commission.

##### **ORGANISATIONAL STRUCTURE**

Traidcraft works through three closely linked entities, sharing the same values and mission. Following the significant downsizing of Traidcraft plc in 2018/19, all shared roles were separated out. Furthermore, the role of Chief Executive was divided between the two organisations. There is now a separate Chief Executive for both Traidcraft plc and for Traidcraft Exchange. There is also an increased delineation in the role of the trustees. While many of the members of the two boards are the same, the two boards now have separate meetings with separate agendas. Both Traidcraft Exchange and Traidcraft plc work within the oversight and guidance of the Traidcraft Foundation.

The Traidcraft Foundation is the Founder Member of Traidcraft Exchange and appoints the trustees of Traidcraft Exchange. It also holds the Guardian Share in Traidcraft plc, which gives a range of rights including a veto over appointments to the Board of Traidcraft plc.

##### **BOARD STRUCTURE**

Traidcraft Exchange's Board is responsible for approving Traidcraft Exchange's policy and strategy. It meets regularly during the year and has a schedule of matters specifically reserved to it for decision. The management team supplies the Board with appropriate and timely information and the trustees are free to seek any further information they consider necessary. All trustees have access to advice from the Company Secretary and independent professionals at the Charity's expense. Training is available for new trustees and other trustees as necessary.

All trustees are subject to re-election at least every three years, except the Foundation Trustee (who is appointed by the Traidcraft Foundation for a three-year term).

The Board of Traidcraft Exchange consists of eight trustees. On return from maternity leave, the Director of Traidcraft Exchange was appointed as Chief Executive by the Board.



## **THE TRAIDCRAFT EXCHANGE**

### **REPORT OF THE TRUSTEES**

---

The Chief Executive is appointed by the trustees to manage the day-to-day operations of the charity with the assistance of the other senior management. To facilitate effective operations, the Chief Executive has delegated authority for operational matters.

Trustees in office during the year are listed on page 1.

#### **Governance developments in the year**

The permanent Chief Executive role was appointed in September 2019.

Following a vote with members, the Staff Association of Traidcraft decided to separate out its activities between Traidcraft Plc and Traidcraft Exchange. These changes were implemented from July 2019 and Staff Association representatives have the opportunity to engage with the Board of Trustees at each Board meeting, without senior management present.

#### **APPOINTMENT AND TRAINING OF TRUSTEES**

Traidcraft Exchange has a Nominations Committee which identifies and proposes candidates for the Board of Traidcraft Exchange. Recruitment and selection of new Board members is by a combination of external advertisement and networking. Candidates are asked to provide written expression of interest and, if shortlisted, are interviewed by members of the Nominations Committee. Following recommendation by the Nominations Committee and approval by the Traidcraft Foundation, successful candidates are co-opted onto the Board.

Board members receive letters of appointment, including a job description and statement of expectations. Induction packs are provided to new trustees and induction meetings are arranged to cover key responsibilities, learn about the work of the organisation and meet key employees. Some ongoing training is included within the normal pattern of meetings, and ongoing training needs are identified and met at the charity's expense, as necessary.

#### **PAY POLICY**

The Remuneration Committee, made up of three trustees, has responsibility for making recommendations to the Board on Traidcraft Exchange's general policy on CEO remuneration and determines the specific package for the CEO. It carries out these aspects of Traidcraft Exchange's remuneration policy on behalf of the Board. As well as considering conditions in Traidcraft Exchange as a whole, it uses external data to set the context for its deliberations and takes into account Traidcraft Exchange's position relative to other organisations and is aware of what these are paying. The policy of the Board is to provide remuneration packages that will attract, motivate and retain a CEO of the calibre necessary to maintain Traidcraft Exchange's position and to ensure that it meets its various objectives.

Trustees of Traidcraft Exchange receive no payment in relation to their role as Trustees of the Charity. Travelling and other expenses are reimbursed. No trustees received remuneration from the Charity during the year.

For all other staff, including senior staff, salary setting is determined by the Senior Management Team, following input from HR. When setting appropriate salaries for individual roles, internal relativities and external data is considered in order to make the reward as fair as possible in the Traidcraft Exchange context. Traidcraft Exchange implements a reward approach with defined salary bands and ranges. External benchmarking was conducted to inform how Traidcraft Exchange salaries compare against external market rates. Benchmarking information was then used to establish transparent 'levels' for pay scales, and to allocate roles to these scales.

## THE TRAIDCRAFT EXCHANGE

### REPORT OF THE TRUSTEES

---

#### **TRUSTEES' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS**

The following statement, which should be read in conjunction with the statement of responsibilities set out in the auditor's report, is made with a view to distinguishing the respective responsibilities of the Trustees and the auditor in relation to the financial statements.

The trustees (who are also directors of Traidcraft Exchange for the purpose of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of 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 Charity SORP;
- make judgements 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 proper accounting records that 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 Company's 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 corporate and financial information included on 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 AS TO DISCLOSURE OF INFORMATION TO THE AUDITOR**

In so far as the trustees are aware at the time of approving our financial statements:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

#### **AUDITOR**

UNW LLP have indicated their willingness to be re-appointed as auditor for another term. This will be proposed at the Annual General Meeting.

The report of the trustees was approved on 1 September 2020 and signed on their behalf by

**Ram Gidoomal, Chair**

## THE TRAIDCRAFT EXCHANGE

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE TRAIDCRAFT EXCHANGE

---

#### Opinion

We have audited the financial statements of The Traidcraft Exchange for the year ended 31 March 2020 which comprise the consolidated statement of financial activities, , the consolidated balance sheet , the company balance sheet, the consolidated statement of cash flow 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 FRS 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 group's and the charitable company's affairs as at 31 March 2020 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

#### Basis of 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 group 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

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

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

#### Respective responsibilities of trustees and auditor

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we

## THE TRADCRAFT EXCHANGE

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE TRADCRAFT EXCHANGE

---

identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report 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, which includes the group strategic report, for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report, which includes the group strategic 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 group and 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:

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

#### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement, 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's or to cease operations, or have no realistic alternative but to do so.

## **THE TRAIDCRAFT EXCHANGE**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE TRAIDCRAFT EXCHANGE**

---

#### **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.

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](http://www.frc.org.uk/auditorsresponsibilities). The description forms part of our auditor's report.

#### **Who are we reporting to**

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.

**Anne Hallowell BSc FCA DChA (Senior Statutory Auditor)**  
**for and on behalf of UNW LLP, Statutory Auditor**  
Chartered Accountants  
Newcastle upon Tyne

## THE TRADCRAFT EXCHANGE

### STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT

For the year ended 31 March 2020

		<b>CONSOLIDATED</b>			
	Note	Unrestricted Funds £000	Restricted Funds £000	Total 2020 £000	Total 2019 £000
<b>INCOME FROM:</b>					
<b>Donations and legacies</b>					
Donations from individuals	2	1,008	-	1,008	1,291
Legacies		205	-	205	220
Trusts and charities	2	23	-	23	62
<b>Investments</b>		-	-	-	3
<b>Charitable activity:</b>					
Grants from institutional sources	2	-	1,691	1,691	1,401
Other income	3	163	-	163	205
Other finance income	16	-	-	-	-
<b>Total Income</b>		<b>1,399</b>	<b>1,691</b>	<b>3,090</b>	<b>3,182</b>
<b>EXPENDITURE ON:</b>					
<b>Raising funds</b>					
Voluntary income	4	496	-	496	454
Institutional sources	4	183	-	183	134
<b>Charitable activities</b>					
Development programmes	5	658	1,551	2,209	2,111
Policy and campaigning	5	354	132	486	501
<b>Total Expenditure</b>	5	<b>1,691</b>	<b>1,683</b>	<b>3,374</b>	<b>3,200</b>
<b>Net income</b>		<b>(292)</b>	<b>8</b>	<b>(284)</b>	<b>(18)</b>
<b>Other recognised gains and losses</b>					
Realised gains		-	-	-	-
Unrealised (losses)		12	-	12	(1)
Unrealised (loss) on investments		-	-	-	(43)
Actuarial losses on defined benefit pension scheme	15	-	-	-	(46)
<b>Net movement in funds</b>		<b>(280)</b>	<b>8</b>	<b>(272)</b>	<b>(108)</b>
Fund balances brought forward		1,097	102	1,199	1,307
<b>Fund balances carried forward at 31 March 2020</b>	17	<b>817</b>	<b>110</b>	<b>927</b>	<b>1,199</b>

There are no gains or losses during the year other than the net movement in funds of (£272,000). All income and expenditure relates to continuing operations. The notes on pages 24 to 49 form part of these Financial Statements.

# THE TRAIDCRAFT EXCHANGE

BALANCE SHEET AT 31 MARCH 2020

Company Registration Number: 03031674, Charity Registration Number 1048752.

		<b>CONSOLIDATED</b>			
	<b>Note</b>	<b>2020</b>	<b>2020</b>	2019	2019
		<b>£000</b>	<b>£000</b>	£000	£000
<b>Fixed assets</b>					
Tangible	10		<b>47</b>		49
Intangible	11		<b>14</b>		5
Investments	12		-		-
			<b>61</b>		54
<b>Current assets</b>					
Debtors	13	<b>204</b>		482	
Cash at bank and in hand		<b>1,411</b>		1,443	
		<b>1,615</b>		1,925	
<b>Creditors: amounts falling due within one year</b>					
Creditors	14	<b>749</b>		780	
<b>Net current assets</b>			<b>866</b>		1,145
<b>Total assets less current liabilities</b>			<b>927</b>		1,199
<b>Defined benefit pension scheme liability</b>	15		-		-
			<b>927</b>		1,199
<b>Funds and reserves</b>					
Restricted funds	17		<b>110</b>		102
Unrestricted funds – General	17	<b>817</b>		1,097	
Unrestricted funds – Pension Reserve	17	-		-	
Unrestricted – Total General			<b>817</b>		1,097
<b>Total funds and reserves</b>			<b>927</b>		1,199

The notes on pages 24 to 49 form part of these Financial Statements.

The financial statements were approved by the Trustees and authorised for issue on 1 September 2020 and are signed on their behalf by:

**Ram Gidoomal**  
**Chair**

# THE TRAIDCRAFT EXCHANGE

BALANCE SHEET AT 31 MARCH 2020

Company Registration Number: 03031674, Charity Registration Number 1048752.

<b>TRAIDCRAFT EXCHANGE</b>					
	<b>Note</b>	<b>2020</b>	<b>2020</b>	<b>2019</b>	<b>2019</b>
		<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Fixed assets</b>					
Tangible	10		<b>45</b>		47
Intangible	11		<b>14</b>		5
Investments	12		-		1
			<b>59</b>		<b>53</b>
<b>Current assets</b>					
Debtors	13	<b>204</b>		482	
Cash at bank and in hand		<b>1,401</b>		<b>1,440</b>	
		<b>1,605</b>		<b>1,922</b>	
<b>Creditors: amounts falling due within one year</b>					
Creditors	14	<b>749</b>		778	
<b>Net current assets</b>					
			<b>856</b>		<b>1,144</b>
<b>Total assets less current liabilities</b>					
			<b>866</b>		<b>1,197</b>
<b>Defined benefit pension scheme liability</b>					
	15		-		-
			<b>915</b>		<b>1,197</b>
<b>Funds and reserves</b>					
Restricted funds	17		<b>110</b>		102
Unrestricted funds – General	17	<b>805</b>		1,095	
Unrestricted funds – Pension Reserve	17	-		-	
Unrestricted – Total General			<b>805</b>		<b>1,095</b>
<b>Total funds and reserves</b>					
			<b>915</b>		<b>1,197</b>

The notes on pages 24 to 49 form part of these Financial Statements.

The financial statements were approved by the Trustees and authorised for issue on 1 September 2020 and are signed on their behalf by:

**Ram Gidoomal**  
**Chair**



## THE TRAIDCRAFT EXCHANGE

### STATEMENT OF CASH FLOWS

For the year ended 31 March 2020

		<b>CONSOLIDATED</b>			
	<b>Note</b>	<b>2020</b>	<b>2020</b>	2019	2019
		<b>£000</b>	<b>£000</b>	£000	£000
<b>Cash flows from operating activities:</b>					
Net cash generated by/(used in) operating activities	18		(17)		43
<b>Cash flows from investing activities:</b>					
Interest received		2		3	
Purchase of fixed assets		(29)		(55)	
Net cash used in investing activities			(27)		(52)
Net (decrease)/increase in cash			(44)		(9)
Cash and cash equivalents at start of year			1,443		1,453
Change in cash and cash equivalents due to exchange rate movements			12		(1)
Cash and cash equivalents at end of year			<u>1,411</u>		<u>1,443</u>

# THE TRAIDCRAFT EXCHANGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2020

---

### 1 ACCOUNTING POLICIES

The Traidcraft Exchange ('the company') is private company limited by guarantee, incorporated and domiciled in the United Kingdom. The address of the registered office is given in the reference and administration page of these financial statements. The members of the company are the trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

#### BASIS OF PREPARATION

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts 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.

Traidcraft Exchange 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 note(s).

The principal accounting policies of the Charity have remained unchanged from the previous year. The registered office is Kingsway, Gateshead, NE11 0NE, UK. The accounts are presented in £'000.

#### GOING CONCERN

After making enquiries, the Board of Trustees has a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Please refer to the Trustees' Report for further details.

#### FUND ACCOUNTING

Unrestricted funds are funds that are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.

Designated funds comprise unrestricted funds that have been put aside at the discretion of the trustees for a particular purpose.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The aim and use of each restricted fund is set out in the notes to the financial statements.

#### INCOMING RESOURCES

All incoming resources becoming available to the charity during the year are recognised in the Statement of Financial Activities. Income is deferred where incoming resources are received in advance of the service being provided. No incoming resources are stated net of expenditure.

Institutional grants, where related to performance and specific deliverables, are accounted for as the Charity earns the right to consideration by its performance. Where income is received in advance of performance its recognition is deferred and included in creditors. Where entitlement occurs before income is received the income is accrued and included in debtors.

Listed shares donated during the year are included in donations and valued at estimated market value. Unlisted shares donated during the year are included in donations and valued at estimated market value.

## THE TRAIDCRAFT EXCHANGE

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2020

---

Legacies are recognised as income, in the accounting period, once the Charity has been informed of the amount of a bequest and it can be measured with sufficient reliability.  
Investment income is recognised on a receivable basis.

The total incoming resources for the year and the movement on Restricted Funds are detailed in the Statement of Financial Activities.

#### RESOURCES EXPENDED

Expenditure is brought into the financial statements as it is incurred. Overheads (including management and administration costs) and other non-specific expenditure are allocated between charitable activities and generating funds in proportion to the number of staff employed within each area. This is shown as "overhead allocation" in the notes and apportioned on the following basis:

Fundraising	24%
Development Programme	33%
Policy & Campaign Programme	43%

Costs of generating funds are those incurred in seeking voluntary income and grants from institutional sources and do not include the costs of disseminating information in support of the charitable activities. These costs include the salaries, direct expenditure and overhead costs of the staff who promote fundraising.

Costs of charitable activities represent the salaries and overhead costs of staff directly working in International Programmes and the Policy Unit together with expenditure directly attributable to these activities.

Management and administration costs (referred to as 'Overhead allocation') represent the costs incurred by finance, IT and human resources attributable to the management of the Charity's assets and organisational administration.

Irrecoverable VAT is charged as a cost to the Statement of Financial Activities.

#### FOREIGN CURRENCIES

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are retranslated at the rates of exchange ruling at the balance sheet date.

#### CASH AT BANK AND IN HAND

Cash at bank and cash 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.

#### FINANCIAL INSTRUMENTS

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

## THE TRAIDCRAFT EXCHANGE

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2020

---

#### DEPRECIATION

Depreciation is calculated to write down the cost less estimated residual value over the useful economic lives of all tangible fixed assets by the straight-line method. A full year's depreciation is charged in the year of acquisition. Only assets costing more than £500 are capitalised. The annual charges are based on:

Computer equipment	25% of cost per annum
Motor vehicles	20% of cost per annum
Office furniture	10% of cost per annum

#### INVESTMENTS

Unlisted investments are valued by the trustees as their best estimate of market value at the year-end.

#### INTANGIBLE FIXED ASSETS AND AMORTISATION

Intangible assets costing £500 or more are capitalised and recognised when future economic benefits are probable, and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment. Assets are amortised over 4 years.

#### DEBTORS

Trade and other debtors are recognised at the settlement amount. Prepayments are valued at the amount prepaid.

#### LIABILITIES AND PROVISIONS

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

#### CONTRIBUTION TO PENSION FUNDS

For the defined contribution pension scheme, the pension costs charged to the Statement of Financial Activities represent the amount of the contributions payable in respect of the accounting period.

For defined benefit schemes the amount charged to the Statement of Financial Activities in respect of pension costs and other post retirement benefits is the estimated regular cost of providing the benefits accrued in the year, adjusted to reflect variations from that cost. The interest cost and expected return on assets are included within other finance costs.

Actuarial gains and losses arising from new valuations and from updating valuations to the balance sheet date are recognised in the Statement of Financial Activities.

Defined benefit schemes are funded, with the assets held separately from the group in separate trustee administered funds. Full actuarial valuations, by a professionally qualified actuary, are obtained at least every three years, and updated to reflect current conditions at each balance sheet date. The pension scheme assets are measured at fair value. The pension scheme liabilities are measured using the projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency. A pension scheme asset is recognised on the balance sheet only to the extent that the surplus may be recovered by reduced future contributions or to the extent that the trustees have agreed a refund from the scheme at the balance sheet date. A pension scheme liability is recognised to the extent that the group has a legal or constructive obligation to settle the liability.

The administration costs of running the closed defined contribution scheme are charged to the Statement of Financial Activities. Further details are provided in the notes to the accounts.

## THE TRAIDCRAFT EXCHANGE

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2020

---

#### LEASED ASSETS

Traidcraft Exchange only has operating leases and the payments made under them are charged to the Statement of Financial Activities on a straight-line basis over the lease term.

#### TAXATION

Traidcraft Exchange's charitable activities fall within the exemption afforded by section 505 of the Income Corporation Taxes Act 1988. Accordingly, there is no provision in these accounts.

#### CRITICAL ACCOUNTING ESTIMATES AND AREAS OF UNCERTAINTY

The preparation of financial statements requires management to make judgments, assumptions and estimates that affect the application of accounting policies and amounts reported in the Statement of Financial Activity and balance sheet. Such decisions are made at the time the financial statements are prepared and adopted based on the best information available at the time. Actual outcomes may be different from initial estimates and are reflected in the financial statements as soon as they become apparent.

#### SIGNIFICANT JUDGMENTS IN APPLYING ACCOUNTING POLICIES

In preparing these financial statements, no significant judgments were required in the process of applying the company's accounting policies.

#### KEY SOURCES OF ESTIMATION UNCERTAINTY

Key estimates included within these financial statements include assumptions regarding discount rates and mortality in calculating the value of retirement benefits. Trustees keep these assumptions under review and employ the services of qualified actuaries to calculate the resulting expected asset or liability to the charity in respect of retirement benefits. None of the other estimates made in the preparation of these financial statements are considered to carry significant estimation uncertainty, nor to bear significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

# THE TRAIDCRAFT EXCHANGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2020

### 2 INCOMING RESOURCES

	<b>CONSOLIDATED</b>			
	<b>2020</b>	<b>2020</b>	<b>2020</b>	2019
	<b>Unrestricted</b>	<b>Restricted</b>	<b>Total</b>	Total
	<b>Funds</b>	<b>Funds</b>	<b>Funds</b>	Funds
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Donations from Individuals</b>				
Regular giving	375	-	373	292
Direct mail appeals	288	-	288	383
Fair Traders	117	-	117	127
Traidcraft plc customers/shareholders	79	-	79	118
Community events	41	-	41	153
Challenge events	12	-	12	4
Tax reclaimed through Gift Aid	94	-	94	136
Miscellaneous	2	-	2	78
	<b>1,008</b>	<b>-</b>	<b>1,008</b>	<b>1,291</b>

	<b>CONSOLIDATED</b>	
	<b>2020</b>	2019
	<b>£000</b>	£000
	<b>Unrestricted</b>	Unrestricted
<b>Trusts and Charities</b>		
Other grants of £10,000 or more	-	25
Grants between £1,000 and £10,000	12	24
Grants under £1,000	11	13
	<b>23</b>	<b>62</b>

# THE TRAIDCRAFT EXCHANGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2020

	<b>CONSOLIDATED</b>	
	<b>2020</b>	2019
	<b>£000</b>	£000
	Restricted	Restricted
<b>Grants from Institutional Sources</b>		
<u>Government Bodies and Multilateral</u>		
Department for International Development	97	171
European Union	932	693
<u>Trusts &amp; Charities</u>		
National Lottery Community Fund	160	263
Christian Aid	1	51
Comic Relief	207	125
TRAID	64	1
The Society of the Sacred Heart	10	18
The Squires Foundation	15	13
The Oak Foundation	16	
The Joseph Rowntree Charitable Trust	18	-
Laudes Foundation	11	
Anonymous	18	15
The Ceniarth Foundation	30	-
The Allan and Nesta Ferguson Charitable Trust	75	
HCD Memorial Fund	20	
Grants under £10,000	17	51
	<b>1,691</b>	<b>1,401</b>

	<b>CONSOLIDATED</b>	
	<b>2020</b>	2019
	<b>£000</b>	£000
<b>Split of income</b>		
UK	2,158	2,392
Rest of World	932	790
	<b>3,090</b>	<b>3,182</b>

# THE TRADCRAFT EXCHANGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2020

### 3 OTHER INCOME

	<b>CONSOLIDATED</b>			
	<b>2020</b>	<b>2020</b>	<b>2020</b>	2019
	<b>Unrestricted</b>	<b>Restricted</b>	<b>Total</b>	<b>Total</b>
	<b>Funds</b>	<b>Funds</b>	<b>Funds</b>	<b>Funds</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Miscellaneous	<b>2</b>	-	<b>2</b>	9
Consultancy income	<b>161</b>	-	<b>161</b>	196
	<b>163</b>	-	<b>163</b>	205

The activities giving rise to other income are all carried out in furtherance of the objects of the Charity.



# THE TRAIDCRAFT EXCHANGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2020

### 4 COSTS OF GENERATING FUNDS

	CONSOLIDATED			
	2020 Unrestricted Funds £000	2020 Restricted Funds £000	2020 Total Funds £000	2019 Total Funds £000
<b>Voluntary income</b>				
Direct salaries	240	-	240	225
Travel and accommodation	2	-	2	1
Direct costs	105	-	105	118
Overhead allocation (Note 7)	149	-	149	110
	<b>496</b>	<b>-</b>	<b>496</b>	<b>454</b>
<b>Institutional sources</b>				
Direct salaries	115	-	115	82
Travel and accommodation	3	-	3	5
Direct costs	5	-	5	7
Overhead allocation (Note 7)	60	-	60	40
	<b>183</b>	<b>-</b>	<b>183</b>	<b>134</b>
	<b>679</b>	<b>-</b>	<b>679</b>	<b>588</b>

### 5 CHARITABLE ACTIVITIES

	CONSOLIDATED			
	2020 Unrestricted Funds £000	2020 Restricted Funds £000	2020 Total Funds £000	2019 Total Funds £000
<b>Development Programmes</b>				
Direct salaries	382	401	783	653
Travel and accommodation	33	28	61	52
Direct programme costs	198	1,018	1,216	1,173
Overhead allocation (Note 7)	45	104	149	233
	<b>658</b>	<b>1,551</b>	<b>2,209</b>	<b>2,111</b>
<b>Policy Unit and Campaigning</b>				
Direct salaries	72	96	168	287
Travel and accommodation	1	2	3	11
Direct programme costs	15	30	45	59
Overhead allocation (Note 7)	266	4	270	144
	<b>354</b>	<b>132</b>	<b>486</b>	<b>501</b>
	<b>1,012</b>	<b>1,683</b>	<b>2,695</b>	<b>2,612</b>

# THE TRAIDCRAFT EXCHANGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2020

	<b>CONSOLIDATED</b>			
	<b>2019</b> Unrestricted Funds £000	<b>2019</b> Restricted Funds £000	<b>2019</b> Total Funds £000	2018 Total Funds £000
<b>Development Programmes</b>				
Direct salaries	378	275	653	506
Travel and accommodation	24	28	52	57
Direct programme costs	241	932	1,173	1,077
Overhead allocation (Note 7)	168	65	233	184
	<u>811</u>	<u>1,300</u>	<u>2,111</u>	<u>1,824</u>
<b>Policy Unit and Campaigning</b>				
Direct salaries	164	123	287	270
Travel and accommodation	1	10	11	7
Direct programme costs	4	55	59	19
Overhead allocation (Note 7)	139	5	144	134
	<u>308</u>	<u>193</u>	<u>501</u>	<u>430</u>
	<u><u>1,119</u></u>	<u><u>1,493</u></u>	<u><u>2,612</u></u>	<u><u>2,254</u></u>

## 6 RESOURCES EXPENDED

Total resources expended include the following amounts:

	<b>CONSOLIDATED</b>	
	<b>2020</b> £000	2019 £000
Depreciation	15	17
Amortisation	8	4
Operating leases		
- land and buildings	41	41
- other	11	7
Realised exchange rate (gains)	-	-
Unrealised exchange rate losses/(gains)	(12)	1
Auditor's remuneration		
- as auditors	7	5
- for other services	-	1

The fees charged by the auditors can be further analysed under the following headings for services rendered:

	<b>2020</b> £000	2019 £000
UNW LLP	<u>7</u>	<u>6</u>
	<u><u>7</u></u>	<u><u>6</u></u>

# THE TRADCRAFT EXCHANGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2020

### 7 ANALYSIS OF OVERHEAD ALLOCATION

	sáirdas n nu. & ng Ma £000	ecnarrevo G £000	sed vres ediff £000	sá ba musnoc á,yer hca m eurr £000	sed vres l é cnañ F £000	s mmo C & RP £000	2020 £000	2019 £000
Costs of generating funds								
Voluntary income	90	7	27	5	13	7	149	110
Institutional sources	36	3	11	2	5	3	60	40
Charitable activities								
Development programmes	90	6	27	6	13	7	149	233
Policy and Campaigning	166	12	47	9	23	13	270	144
Total Expenditure	382	28	112	22	54	30	628	527

	sáirdas n nu. & ng Ma £000	ecnarrevo G £000	sed vres ediff £000	sá ba musnoc á,yer hca m eurr £000	sed vres l é cnañ F £000	s mmo C & RP £000	2019 £000	2018 £000
Costs of generating funds								
Voluntary income	71	2	18	5	6	8	110	108
Institutional sources	26	1	6	2	2	3	40	38
Charitable activities								
Development programmes	151	4	37	10	14	17	233	184
Policy and Campaigning	79	2	42	5	7	9	144	134
Total Expenditure	327	9	103	22	29	37	527	464

Overheads have been apportioned based on the number of full-time staff equivalents in each department.

Management and administration salaries include the salaries of staff working in Finance, HR, Public Relations and Communications and general management (£341,000, 2019: £283,000) It also includes recruitment, relocation, training and other staff costs.

Office services include rent, insurance and general office running expenses. Office machinery and consumables includes depreciation and non-capital office furniture, fittings and equipment. Financial services include bank charges, irrecoverable VAT and membership fees and subscriptions. PR & Comms is the cost of preparing communications for the Charity and includes the cost of trips to visit projects to provide reports to our supporters.

# THE TRAIDCRAFT EXCHANGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2020

### 8 STAFF COSTS AND RELATED EXPENDITURE

	CONSOLIDATED	
	2020 £000	2019 £000
Salaries	887	924
Social security costs	88	89
Pension costs (excluding contributions to defined benefit scheme – FRS102)	63	66
Subtotal: employment costs	1,038	1,079
Overseas salaries and staff costs	609	452
Recruitment and relocation	4	22
Training and other staff costs	33	21
	<u>1,684</u>	<u>1,574</u>

No employees received employee benefits of more than £60,000.

For the year ended 31 March 2020, key management personnel comprised the trustees, the Chief Executive, and members of the Senior Management Team. The total employee benefits of the key management personnel were £250,000 (2018: £345,000).

The average head count during the reporting period was 55 staff. The average number of full-time equivalent employees in our UK and overseas offices during the year was:

	2020 No.	2019 No.
Development programmes and Policy Unit	40	39
Fundraising	10	8
Management and administration	4	6
	<u>54</u>	<u>53</u>

### 9 TRANSACTIONS WITH TRUSTEES

The Chief Executives in the year were Charlotte Timson (returned from maternity leave Oct 2019) and Esther Stevenson (resigned July 2019). There are no trustees to whom retirement benefits are accruing under the defined benefit pension scheme.

No trustees received remuneration from the charity during the year. Total expenses paid to seven (2019: one) of the trustees amounted to £841 (2019: £2,388). These related to the costs of attendance at board and other meetings and costs of the trustee's travel.

# THE TRAIDCRAFT EXCHANGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2020

### 10 TANGIBLE FIXED ASSETS

<b><u>CONSOLIDATED</u></b>	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
<b>Furniture and equipment</b>		
<b>Cost</b>		
At 1 April	<b>107</b>	82
Additions	<b>12</b>	55
Disposals	-	(30)
Transfer to intangible fixed assets	-	-
<b>At 31 March</b>	<b>119</b>	107
<b>Depreciation</b>		
At 1 April	<b>58</b>	71
Less depreciation on disposals	-	(30)
Charge for year	<b>14</b>	17
Transfer to intangible fixed assets	-	-
<b>At 31 March</b>	<b>72</b>	58
<b>Net Book Value at 31 March</b>	<b>47</b>	49

<b><u>TRAIDCRAFT EXCHANGE</u></b>	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
<b>Furniture and equipment</b>		
<b>Cost</b>		
At 1 April	<b>104</b>	82
Additions	<b>12</b>	52
Disposals	-	(30)
Transfer to intangible fixed assets	-	-
<b>At 31 March</b>	<b>116</b>	104
<b>Depreciation</b>		
At 1 April	<b>57</b>	71
Less depreciation on disposals	-	(30)
Charge for year	<b>14</b>	16
Transfer to intangible fixed assets	-	-
<b>At 31 March</b>	<b>71</b>	57
<b>Net Book Value at 31 March</b>	<b>45</b>	47

# THE TRAIDCRAFT EXCHANGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2020

### 11 INTANGIBLE FIXED ASSETS

<b><u>CONSOLIDATED AND TRAIDCRAFT EXCHANGE</u></b>	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
<b>IT systems</b>		
<b>Cost</b>		
At 1 April	<b>15</b>	<b>29</b>
Transfer from tangible assets	-	-
Additions	<b>17</b>	-
Disposals	-	<b>(14)</b>
<b>At 31 March</b>	<b><u>32</u></b>	<b><u>15</u></b>
<b>Depreciation</b>		
At 1 April	<b>10</b>	<b>20</b>
Transfer from tangible assets	-	-
Less depreciation on disposals	-	<b>(14)</b>
Charge for year	<b>8</b>	<b>4</b>
<b>At 31 March</b>	<b><u>18</u></b>	<b><u>10</u></b>
<b>Net Book Value at 31 March</b>	<b><u>14</u></b>	<b><u>5</u></b>

### 12 INVESTMENTS

	<b><u>TRAIDCRAFT EXCHANGE</u></b>		<b><u>CONSOLIDATED</u></b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Traidcraft Services India Private Limited	<b>1</b>	<b>1</b>	<b>-</b>	<b>-</b>
	<b><u>1</u></b>	<b><u>1</u></b>	<b><u>-</u></b>	<b><u>-</u></b>

Traidcraft Services India Private Limited is incorporated in India and is limited by shares. The Corporate Identity Number is U74140DL2015PTC286042. Traidcraft Exchange holds 99% of the shares.

The investments include shares in Traidcraft plc which are not listed on any stock exchange and which were donated to Traidcraft Exchange by supporters. At 31<sup>st</sup> March 2019, the Traidcraft plc shares were not being traded so the trustees valued the shares at nil. Due to the illiquid nature of these shares the trustees believe it is appropriate to classify them as a fixed asset investment.

## THE TRAIDCRAFT EXCHANGE

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2020

#### 13 DEBTORS

	TRAIDCRAFT EXCHANGE		CONSOLIDATED	
	2020 £000	2019 £000	2020 £000	2019 £000
VAT receivable	10	16	10	16
Accrued income	143	430	143	430
Traidcraft plc	-	-	-	-
Other debtors	51	36	51	36
	<b>204</b>	<b>482</b>	<b>204</b>	<b>482</b>

#### 14 CREDITORS: amounts falling due within one year

	TRAIDCRAFT EXCHANGE		CONSOLIDATED	
	2020 £000	2019 £000	2020 £000	2019 £000
Trade creditors	50	11	50	11
Accrued expenses and deferred income	660	738	660	740
Traidcraft plc	30	27	30	27
Traidcraft Foundation	-	2	-	2
Other creditors	9	-	9	-
	<b>749</b>	<b>778</b>	<b>749</b>	<b>780</b>
<b>Deferred income:</b>	<b>2020 £000</b>	<b>2019 £000</b>	<b>2020 £000</b>	<b>2019 £000</b>
<b>Brought forward</b>	<b>610</b>	<b>552</b>	<b>610</b>	<b>552</b>
Deferred	1,336	581	1,321	581
Released	(1,409)	(523)	(1,409)	(523)
<b>Carried forward</b>	<b>537</b>	<b>610</b>	<b>537</b>	<b>610</b>

Deferred income relates to funds received from Institutional donors that have not been spent at the year end. It will be spent on planned future project activities. The majority will be spent in 2020/21. Income will be recognised as the monies are utilised, in line with the funding agreements.

# THE TRAIDCRAFT EXCHANGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2020

### 15 PENSIONS

#### Closed defined benefit scheme:

Until 31 March 2001 Traidcraft operated a defined benefit funded pension scheme covering the pension arrangements of employees of Traidcraft plc and Traidcraft Exchange, providing a pension linked to final salary. This scheme is now closed but not wound-up and Traidcraft plc and Traidcraft Exchange continue to make contributions to it, working with the scheme trustees to agree appropriate contribution levels. Traidcraft plc is the principal employer within the combined Traidcraft defined benefit pension scheme and Traidcraft Exchange is the participating employer.

The triennial actuarial valuation prepared as at 1 April 2016 indicated that the scheme is approximately 90.7% funded against technical provisions with a deficit of £690,000. The agreed ongoing funding to be paid by the employers is £220,000 per annum which is intended to bring the scheme up to a fully-funded position by 31 March 2020. The total charge for the year paid by Traidcraft relating to this scheme, shown below, is divided between Traidcraft plc and Traidcraft Exchange according to the prevailing advice about the split of liabilities in the scheme.

The Charity expects to contribute £nil to the defined benefit pension plan in the year to 31 March 2021. It should be noted that the deficit calculated in the triennial valuation and the surplus or deficit calculated under FRS102 differ as the two methods require different assumptions to be used.

The Financial Reporting Standard 102 Section 28 requires that the following further disclosure is made about the closed defined benefit pension scheme. The actuarial valuation has been updated by the qualified scheme actuary to 31 March 2020.

#### Key assumptions

	2020	2019
Discount rate	2.30%	2.35%
Expected rate of inflation (CPI)	2.00%	2.25%
Rate of increase of pensions accrued post 5 April 1997	2.00%	2.25%
Rate of revaluation of deferred pensions	2.00%	2.25%

#### Mortality assumptions

The assumed life expectations on future lifetime from retirement age 65 are:

	2020	2019
<i>Retiring today</i>		
Males	21.3	21.3
Female	23.2	23.2
<i>Retiring in 20 years</i>		
Males	22.3	22.3
Female	24.4	24.4

#### Amounts recognised in the Statement of Financial Activities:

	2020 £000	2019 £000
Net interest on defined benefit asset:	(4)	(5)
Actuarial losses	-	(46)



# THE TRAIDCRAFT EXCHANGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2020

### 15 PENSIONS (CONTINUED)

Amounts included in the balance sheet arising from the charity's obligation in respect of defined benefit plans:

	<b>2020</b>	2019
	<b>£000</b>	£000
Present value of defined benefit obligations	<b>(1,538)</b>	(1,611)
Fair value of plan assets	<b>1,538</b>	1,611
Deficit in the scheme	<u><u>-</u></u>	<u><u>-</u></u>

In the year ended 31 March 2020 the actuarial valuation for accounting purposes showed a surplus of assets over liabilities at that date of £189,000 (2019: £172,000). In accordance with FRS102 a pension scheme asset is recognised on the balance sheet only to the extent that the surplus may be recovered by reduced future contributions or to the extent that pension scheme trustees have agreed a refund from the scheme at the balance sheet date. Neither condition was met at the balance sheet date and therefore the surplus was not recognised.

Movement in the present value of the defined benefit obligations:

	<b>2020</b>	2019
	<b>£000</b>	£000
Opening defined benefit obligation	<b>(1,611)</b>	(1,575)
Interest cost	<b>(37)</b>	(40)
Actuarial gain/(losses)	<b>63</b>	(60)
Expenses	<b>1</b>	3
Benefits paid	<b>46</b>	61
Closing defined benefit obligation	<u><u>(1,538)</u></u>	<u><u>(1,611)</u></u>

Movement in the fair value of scheme assets:

	<b>2020</b>	2019
	<b>£000</b>	£000
Opening fair value of scheme assets	<b>1,783</b>	1,745
Interest income	<b>41</b>	45
Return on plan assets excluding interest	<b>(50)</b>	11
Contributions by employer	<b>-</b>	46
Expenses	<b>(1)</b>	(3)
Benefits paid	<b>(46)</b>	(61)
Closing fair value of scheme assets	<u><u>1,727</u></u>	<u><u>1,783</u></u>
Value recognised limited under FRS102	<b>(189)</b>	(172)
Closing fair value of scheme assets recognised	<u><u>1,538</u></u>	<u><u>1,611</u></u>

# THE TRAIDCRAFT EXCHANGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2020

### 15 PENSIONS (CONTINUED)

*Analysis of the scheme assets at the reporting date:*

	2020 £000	2019 £000
Equities	217	582
Bonds	1,470	719
Other	40	482
Total market value of assets	<u>1,727</u>	<u>1,783</u>
Value recognised limited under FRS102	<u>(189)</u>	<u>(172)</u>
	<u><u>1,538</u></u>	<u><u>1,611</u></u>

*Return on plan assets:*

The actual return on plan assets was (£9,000) (2019: £56,000).

#### **Defined contribution scheme:**

At 31 March 2001 Traidcraft closed entry to the defined benefit scheme and closed accrual of future benefit within that scheme. On 1 April 2001 Traidcraft introduced a Group Personal Pension Scheme (a type of defined contribution scheme) which now has an employer's contribution rate of 7.5% (2019: 7.5%). Traidcraft Exchange made contributions of £62,000 during the past year (2019: £63,000) and this cost, together with administration charges of £1,000 (2019: £3,000) relating to the closed scheme comprise the pension cost of £63,000 (2019: £66,000) shown in Note 8 to these accounts.

# THE TRAIDCRAFT EXCHANGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2020

### 16 TRANSACTIONS WITH RELATED PARTIES

Controlling Party: The Charity is under the control of the Traidcraft Foundation (charity number 294953), a registered charity with the same place of business, being the founder member and having, in general meeting, the number of votes that exceeds by one the number of all other votes cast.

Transactions with related parties

During the year the Charity had transactions with the following related parties:

1. The Traidcraft Foundation – the controlling party of the company as detailed above.
2. Traidcraft plc – a company with a number of trustees in common and in which the Traidcraft Foundation controls a protective Guardian Share
3. Trustees – three trustees donated £nil (2019: £1,044) during the year.

Transactions during the year were as follows:

	2020 £000	2019 £000
<b>Traidcraft plc</b>		
Purchase of goods and services (e.g. rent and building costs)	14	66
Sale of services	24	52
<b>Balances due to related parties at 31 March</b>		
Traidcraft Foundation	-	2
Traidcraft plc	30	27
<b>Balances due from related parties at 31 March</b>		
Traidcraft plc	-	-

### 17 ANALYSIS OF FUNDS

	<b>CONSOLIDATED</b>		
	Restricted 2020 £000	Unrestricted 2020 £000	Total 2020 £000
Fixed assets	-	61	61
Investments	-	-	-
Debtors	88	116	204
Cash at bank and in hand	558	853	1,411
Creditors falling due within one year	(536)	(213)	(749)
Net assets	<u>110</u>	<u>817</u>	<u>927</u>

	<b>CONSOLIDATED</b>		
	Restricted 2020 £000	Unrestricted 2020 £000	Total 2020 £000
Fixed assets	-	54	54
Investments	-	-	-
Debtors	182	300	482
Cash at bank and in hand	567	876	1,443
Creditors falling due within one year	(647)	(133)	(780)
Net assets	<u>102</u>	<u>1,097</u>	<u>1,199</u>

There are sufficient resources held in an appropriate form to enable all funds to be applied in accordance with their restrictions.

# THE TRAIDCRAFT EXCHANGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2020

### 18 CASH FLOWS FROM OPERATING ACTIVITIES

	<b>CONSOLIDATED</b>	
	<b>2020</b>	2019
	<b>£000</b>	£000
<b>Net income for the year</b>	<b>(284)</b>	(18)
<b>Adjustments for:</b>		
Depreciation charge	22	21
Acquisition of shares	-	-
(Gains)/losses on investments	-	-
Interest received	(2)	(3)
Loss on sale of fixed assets	-	-
Pension scheme movement	-	(46)
Decrease/(increase) in debtors	278	30
(Decrease)Increase in creditors	(31)	59
<b>Net cash used in operating activities</b>	<b>(17)</b>	43

### 19 ANALYSIS OF CHANGES IN NET DEBT

	<b>CONSOLIDATED</b>			
	At 1 April 2019	Cash flows	Other non-cash changes	At 31 March 2020
	£000	£000	£000	£000
<b>Cash and cash equivalents</b>				
Cash	1,443	(44)	12	1,411
Overdrafts	-			-
Cash equivalents	-			-
	1,443	(44)	12	1,411
<b>Borrowings</b>				
Debt due within one year	-	-	-	-
Debt due after one year	-	-	-	-
	-	-	-	-
<b>Total</b>	<b>1,443</b>	<b>(44)</b>	<b>12</b>	<b>1,411</b>

Other non-cash changes comprise exchange rate movements.

# THE TRAIDCRAFT EXCHANGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2020

---

### 20 COMMITMENTS UNDER OPERATING LEASES

At 31 March 2020, the charity had annual commitments under non-cancellable operating leases as set out below.

	<b>CONSOLIDATED</b>	
	<b>2020</b>	2019
	<b>£000</b>	£000
Operating leases which expire:		
<u>Land and Buildings</u>		
Within 1 year	<b>34</b>	<b>32</b>
Within 2 to 5 years	<b>11</b>	<b>11</b>
<u>Other</u>		
Within 1 year	<b>7</b>	<b>7</b>
Within 2 to 5 years	<b>1</b>	<b>1</b>
	<b>53</b>	<b>51</b>

# THE TRAIDCRAFT EXCHANGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2020

### 21 RESTRICTED FUNDS

The table on page 50 analyses the restricted funds at the year-end. In each case income is received from a funder or funders and programme expenditure (including staff time where appropriate) is charged against this. At any point in time any sums held which have not been spent in accordance with the terms of the agreement of the funder are held in a Restricted Fund or as Deferred Income and are identified by the name of the project or piece of work to which they relate.

#### Overseas Development Programmes

##### South Asia Programme

'MUKTEE: Fighting Forced Labour with Adivasi and Dalit Communities in South Asia' (Ref No. COOP-RS/D (2018) 6764770) is a four-year project funded by the European Commission. It addresses the systemic and structural vulnerabilities of agricultural communities to forced, bonded, and child labour in two districts of Northern Bangladesh and four districts of Madhya Pradesh, India. It works on multiple fronts, namely rescue and rehabilitate communities from bonded labour conditions; prevention of future bondage through skill development and employment opportunities; support enterprise through developing supply chains of agricultural commodities in the local areas; and strengthening policy. 8,000 households and 20,000 children will benefit directly from this project. Both countries have made a lot of progress on this project but greatly affected by the Covid-19 pandemic due to loss of work and migrants having to return home empty handed. Need to work hard to find sustainable solutions, as the economies pick up.

Hidden Homeworkers – Improving Transparency and Traceability to Improve Working Conditions of Homeworkers in Apparel and Footwear Chains (Ref No EuropeAid/157515/dh/act/Multi) is a project that started in April 2019. The objective is to improve the working conditions of informal and home-based workers in Nepal, Pakistan and India, who work in global value chains in the apparel and footwear sectors. It is expected to impact the lives of 20,000 home-based workers in this country through improved working conditions, access to social entitlements and policy change at the national level. The project is progressing well, though now affected by Covid-19 and loss of work for most home-based workers. We will need to review the approach we are using to deliver impact.

##### **Bangladesh**

###### Khamatayan

'Khamatayan' (*Empowering smallholders to strengthen local democratic governance*) is being implemented in Bangladesh in partnership with Christian Aid and Solidarites and funded by the European Commission. The objective is to strengthen the governance, accountability and sustainability of smallholder civil society organisations in Bangladesh, covering 24 district and sub-district associations, and 788 village-level Self-help Groups (SHGs). The project will empower these organisations, representing 20,000 marginal farmers (50% women, 10% ethnic minorities, 5% disabled people) to proactively engage with Local Authorities in the five target districts of Gaibandha, Kurigram, Mymensingh, Sherpur and Satkhira. The total cost of this 42-month project is EUR 1.65 million, of which the European Commission will contribute EUR 1.49 million

###### SHAMERTO

Traidcraft Exchange joined a consortium led by Helvetas Swiss Intercooperation to initiate a large project in agro-food processing – 'Sustainable Skills and Employment in Small Scale Agro-Food Processing (SHAMERTO)'. The project is designed to strengthen skills, employability and income of workers and entrepreneurs of small, micro and cottage agro-food processing enterprises (SMCE). Specifically, the project will increase gainful employment of workers, better integrate agro-food SMCEs in selected value chains and overall enable business improvement for agro-food SMCEs. The European Commission awarded EUR 3.92 million for 3 years, of which EUR 0.85 million will be routed through Traidcraft Exchange. This project ends June 2020.

## THE TRAIDCRAFT EXCHANGE

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2020

---

#### 21 RESTRICTED FUNDS (CONTINUED)

##### EqualiTEA

The final EqualiTEA project funded by Christian Aid finished during the financial year and a follow up project has been submitted to Christian Aid. So far we have worked with over 5000 households to bring them sustainably over the poverty line through the cultivation of tea and other farm and non-farm diversification options. As a result of our work, the average increase in income was about 67%.

##### JEWEL: Jute: Empowered Women, Ensured Livelihood

This project which ended in March 2018 worked with women in Jute supply chains to improve their working conditions as well as to diversify livelihood options.

##### **India**

The Jharkhand Project: Addressing vulnerabilities among the Pahariya community through market-led Interventions (Ref No OFIL-19-003). This 4-year project aims to “reduce vulnerability and improve sustainable livelihoods and food sovereignty among 3000 Pahariya households, particularly women, in two blocks of Jharkhand”. The 90 villages targeted are comprised of extremely vulnerable Pahariya tribal households alone. This is sought to be achieved by organising and enabling communities to adopt sustainable and productive resource (forest, land and water) management regimes, empowering communities to access their entitlements and engage with the market with a view to sustainably enhance livelihood, income base and nutritional status.

##### OAK

This is a new project (October 2019) which works with remote ethnic communities on value chains to improve production, market linkages and use this to get them out of poverty.

##### Going Green

This is a project working with artisans and weavers in the Textiles to improve Health & Safety, Occupational Health and move to greener technologies. This project ended in January 2018

##### Sustainable Cotton: Sustainable Farms, Sustainable Futures

This project worked with Cotton farmers in Odisha India and helped them to move to more sustainable agriculture and organic farming on cotton and a range of other crops. The project ended in March 2019

##### TRAID

‘TRAID: Unlocking the potential of the backyard garments sector to reduce poverty and waste in South Asia: An action-research study on growth potential in Bangladesh and India’ is funded by TRAIID. This is an action research project over 12 months working with the backyard garments sector in Bangladesh to reduce negative environmental impact caused by garment waste, as well as bring economic prosperity and poverty reduction to rural areas by creating new and skilled jobs, particularly for women. The project ended in March. The potential to work in this sector is positive to reduce migration to Dhaka, so we will explore new avenues of funding.

# THE TRAIDCRAFT EXCHANGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2020

---

### 21 RESTRICTED FUNDS (CONTINUED)

#### East Africa Programme

##### **Senegal**

In 2016/17, 'Juicing Justice project for Farmers', started in Senegal, has worked in partnership with two small Senegalese enterprises called Zena and BDS. The project, funded by Comic Relief (Grant ID 1324191), has worked with 2,200 forest fruit farmers to acquire environmentally sustainable forest fruit harvesting knowledge and skills, increase their income from sales of exotic forest fruits and improve their livelihoods. It also aims to strengthen the capacity of the two small businesses to trade with the farmers in ethical practices that ensure equitable sharing of risks and benefits as well as develop their capacity to access European markets with innovative juice brands.

##### **Tanzania**

With a view to ensure the inclusion of people with disabilities in the Cocoa and Coffee value chains, Traidcraft Exchange received funds from The National Lottery Community Fund. The objective of the study was to investigate the structures and dynamics of specific cocoa and coffee market systems (actors & participants, infrastructure, information, services, relationships, decisions & strategies, legal frameworks & norms), as well as identify potential partners. The study was undertaken in partnership with Shivyawata, our local partner.

'Promoting the Inclusion of People with Disabilities in Cocoa, Coffee and Palm Oil Value Chains' resulted from the above research work and is being implemented by Traidcraft Exchange in partnership with Shivyawata in Tanzania. It is funded by The National Lottery Community Fund (project ID: 10328877). The project seeks to reduce household poverty and empower 1,000 people with disabilities and 500 smallholder farmers and/or micro entrepreneurs, engaged in the coffee, cocoa and sustainable palm oil in Morogoro and Mbeya Regions of Tanzania and Dar es Salaam. The project seeks inclusion of disabled people in all aspects of the value chains through collective organisation, improved access to finance and business services, improved market access and changes in behaviour and practice towards disabled people.

##### **Kenya**

Sustainable Agriculture & Women's Advancement (SAWA) Project is a three-year project being implemented by Traidcraft Exchange in partnership with Farm Concern International in Meru with funding from UK Government's Department for International Development (under their UKAid matching grant programme). The project aims to improve the sustainable livelihoods of over 2,000 smallholder farmers (particularly women) in Meru, Kenya. It focuses on vegetables for the local market and seeks to increase access to markets, improve agricultural production, increase women's voice and participation in the value chains and forge partnerships with the private sector and government

#### Global Programme

Our Catalyst Innovation Programme enables us to undertake vital preliminary research, scoping, piloting and consultation work which can subsequently be scaled up into high-impact development projects that impact on some of the poorest across our areas of operation in Asia and Africa by:

- Investing in developing new sectors and approaches to fair trade;
- Developing and testing ways of increasing the flow of benefits of local, regional and international trade to the world's poor;
- Supporting developing world businesses to increase their resilience and sustainability by giving them the business and technical support they need to become investment-ready;
- Funding the incubation stage of our international development projects and
- Developing new projects in line with our new strategic priorities

The main donors in the last year are the Allan & Nesta Ferguson Charitable Trust and the Ceniarth Foundation.



## THE TRAIDCRAFT EXCHANGE

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2020

---

#### 21 RESTRICTED FUNDS (CONTINUED)

The Producer Support Programme aims to help fair trade producer groups across the developing world to become sustainable, flourishing businesses. The programme focuses on potential or existing Traidcraft suppliers of fair trade products. By assisting them to improve their products, operate more effectively and access more markets, they will be able to grow their businesses and ability to provide income and good working conditions for the thousands of poor people they source from and/or employ. This programme has now ended.

#### **Policy and Campaigning Programme**

##### DEAR – ASSAM Tea Campaign:

We launched the 'Who picked my tea' campaign in May 2018 with the flagship media report 'The Estate We're In'. The campaign called on the 6 biggest UK tea brands (Yorkshire Tea, Twinings, Tetley, PG Tips, Typhoo and Clipper) to publish the list of tea estates they buy from in Assam. We then launched a postcard and e-mail action. All of the six brands published their supplier list, with Typhoo publishing in May 2019. In addition, Rington's tea and Marks and Spencer's both published their supplier lists without being targeted. This now represents over 70% of the UK tea market. At a global level, Unilever updated its supplier list to publish all of its suppliers for all of its tea sales in September 2019. This transparency is a step-change in transparency in a previously notoriously closed and secretive sector. Over 10,000 campaigners took part in this action. Traidcraft is now working with others to enable this information to reach those who would find it useful and support different Assam partners to push for change.

Raising awareness with UK consumers about the problems in the Assam tea sector, researching/promoting alternative business models, researching/promoting transparent supply chains and other activities have been funded by a European grant which will end in summer 2020.

##### JRCT – Joseph Rowntree Charitable Trust

JRCT - Our policy and campaigning work on corporate accountability has been partially supported by the Joseph Rowntree Charitable Trust. In the last year, this has involved launching a supporter campaign, 'Our Land. Our Rights', bringing attention to the situation of Liberian communities who have had their land stolen by a British palm oil company and calling on the government to legislate to hold companies to account for violating human rights.

The campaign received good coverage in the Guardian, who sent a reporter to accompany our policy advisor to visit communities in Liberia in November.

The next step for this work is ongoing advocacy work, in collaboration with civil society colleagues, to awareness for this agenda amongst ministers and parliamentarians.

##### Trade Fair Live Fair

This project is funded by the European Union through their Development Education and Awareness Raising scheme. Traidcraft Exchange is working with partners across Europe to make citizens aware of the interdependency of trade between European consumers and producers in the global south, including the role trade has to play in the delivery of the Sustainable Development Goal. Traidcraft's activities are currently focused on campaigning for better wages and working conditions on tea estates in Assam. We received matched funding in the previous financial year for this work from the Network For Social Change.

# THE TRAIDCRAFT EXCHANGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2020

### 21 RESTRICTED FUNDS (CONTINUED)

	<u>Restricted Fund b/fwd</u>	<u>Income</u>	<u>Expenditure</u>	<u>Restricted Fund c/fwd</u>
	£000	£000	£000	£000
<b><u>Policy Unit and Campaigning</u></b>				
DEAR	-	109	122	(13)
C&A Textiles	-	11	11	-
JRCT & Network for Social Change	-	18	-	18
	-	138	133	5
<b><u>International Programmes</u></b>				
Khamatayan	4	346	372	(22)
Shamerto	8	108	142	(26)
JEWEL	-	20	21	(1)
EqualiTea CA	-	1	1	-
EqualiTea UKM	-	-	-	-
Muktee	9	337	269	77
TRAID	-	64	64	-
OAK	-	16	18	(2)
Going Green	-	10	10	-
Sust Cotton	-	10	10	-
Homeworkers	-	138	157	(19)
Tanzania - Disability	-	5	5	-
Juice	-	207	216	(9)
Tanzania - Disability main	13	145	148	10
SAWA UKM	-	98	98	-
Catalyst	65	30	-	95
Pre-development/National Lottery	-	18	18	-
Producer Support	2	-	-	2
	101	1,553	1,550	105
Total 2020	101	1,691	1,683	110
2019	193	1,401	1,493	101

# THE TRAIDCRAFT EXCHANGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2020

### 22 STATEMENT OF FINANCIAL ACTIVITIES COMPARATIVES FOR 2019

	Unrestricted Funds £000	Restricted Funds £000	<b>Total 2019 £000</b>
<b>INCOME FROM:</b>			
<b>Donations and legacies</b>			
Donations from individuals	1,291	-	<b>1,291</b>
Legacies	220	-	<b>220</b>
Trusts and charities	62	-	<b>62</b>
<b>Investments</b>	<b>3</b>	<b>-</b>	<b>3</b>
<b>Charitable activity:</b>			
Grants from institutional sources	-	1,401	<b>1,401</b>
Other income	205	-	<b>205</b>
Other finance income	-	-	<b>-</b>
<b>Total Income</b>	<b>1,781</b>	<b>1,401</b>	<b>3,182</b>
<b>EXPENDITURE ON:</b>			
<b>Raising funds</b>			
Voluntary income	454	-	<b>454</b>
Institutional sources	134	-	<b>134</b>
<b>Charitable activities</b>			
International programmes	811	1,300	<b>2,111</b>
Policy Unit and campaigning	308	93	<b>501</b>
<b>Total Expenditure</b>	<b>1,707</b>	<b>1,493</b>	<b>3,200</b>
<b>Net income/(expenditure)</b>	<b>74</b>	<b>(92)</b>	<b>(18)</b>
<b>Other recognised gains and losses</b>			
Realised (losses)/gains	(1)	-	<b>(1)</b>
Unrealised gains/(losses)	(43)	-	<b>(43)</b>
Actuarial (losses) on defined benefit pension scheme	(46)	-	<b>(46)</b>
<b>Net movement in funds</b>	<b>(16)</b>	<b>(92)</b>	<b>(108)</b>
Fund balances brought forward	1,113	194	<b>1,307</b>
<b>Fund balances carried forward at 31 March 2019</b>	<b>1,097</b>	<b>102</b>	<b>1,199</b>