



# **The Fairtrade Foundation**

## **Annual Report and Financial Statements**

**for the year ended 31 December 2011**

**The Fairtrade Foundation**

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# **The Fairtrade Foundation**

## **Report of the Trustees (incorporating the Report of the Directors)**

### **For the year ended 31 December 2011**

The Trustees, who are also directors of the charity for the purposes of the Companies Act, present their annual report and financial statements of The Fairtrade Foundation (the "charity") for the year ended 31 December 2011. The Reference and Administrative information on pages 31 and 32 form part of this report.

#### **Objectives and Activities**

The objects of the Fairtrade Foundation are formally set out in the Memorandum and Articles of Association as:

- Relieving poverty, suffering and distress in any part of the world; and
- Promoting research into and education concerning the causes and effects of poverty, particularly in relation to the conduct of trade and to the conditions of employment (including self-employment) of poor people in any part of the world, and publishing the useful results of that research.

To relieve poverty in the world's least developed countries the Fairtrade Foundation licences the use of the FAIRTRADE Mark on products in the UK that meet international Fairtrade standards. The sales of such products relieves the poverty of producers in the developing world by ensuring that they receive at least a fair price for their goods and an additional social premium. This social premium is democratically allocated by producers to develop and support local community projects, such as schools or equipment, clean water, health care etc.

The Fairtrade Foundation promotes research and education around the causes and effects of poverty, particularly in relation to the conduct of trade. We do this by bringing together producers, businesses, communities and individuals in a powerful citizens' movement for change, to tackle poverty and injustice through trade. Some of the ways that we do this include researching and developing reports on the impact on producers in the developing world; promoting and inspiring the general public about Fairtrade; further deepening our collective awareness and understanding of the need and impact of Fairtrade; motivating campaigning volunteers across the UK to take up these issues on our behalf through development of local campaign groups in towns, cities, schools, universities and churches to name a few; and engaging with relevant influential decision makers on the issues.

The Fairtrade Foundation is a member organisation of, and works very closely with, Fairtrade Labelling Organisations International (FLO), based in Germany. This umbrella organisation is responsible for the international standards that underpin Fairtrade; for supporting producers and, through its subsidiary FLO-CERT, for certifying adherence to the standards by producers and traders.

The Fairtrade Foundation's FAIRTRADE Mark is the independent consumer guarantee of a better deal for producers in developing countries. The Foundation charges licence fees to companies marketing products that comply with the Fairtrade standards and carry the FAIRTRADE Mark. Licence fees cover the costs of monitoring and audit to ensure compliance with Fairtrade standards and contribute to the costs of public education and awareness raising work. Monitoring and auditing of UK licensees is largely undertaken directly by the Foundation, while producer and trader certification is the responsibility of FLO-CERT.

#### **Our Vision**

Our vision is of a world in which justice and sustainable development are at the heart of trade structures and practices so that everyone, through their work, can maintain a decent and dignified livelihood and develop their full potential.

To achieve this vision, Fairtrade seeks to transform trading structures and practices in favour of the poor and disadvantaged. By facilitating trading partnerships based on equity and transparency, Fairtrade contributes to sustainable development for marginalised producers, workers and their communities. Through demonstration of alternatives to conventional trade and other forms of advocacy, the Fairtrade movement empowers citizens to campaign for an international trade system based on justice and fairness.

#### **Our mission**

The Fairtrade Foundation's mission is to work with businesses, community groups and individuals to improve the trading position of producer organisations in developing countries and to deliver sustainable livelihoods for farmers, workers and their communities by:

- being a passionate and ambitious development organisation committed to tackling poverty and injustice through trade;
- using certification and product labelling, through the FAIRTRADE Mark, as a tool for our development goals;
- bringing together producers and consumers in a citizens' movement for change; and

- being recognised as the UK's leading authority on Fairtrade.

## Public Benefit

The Trustees confirm that they have complied with their duty in Section 4 of the Charities Act 2006 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales. The Trustees further confirm that the activities of the Fairtrade Foundation are carried out, in line with its objects, for the public benefit as described below.

## Principal Achievements and Performance in 2011

Our 5 year strategy, "Tipping the Balance – the Fairtrade Foundation's Vision for Transforming Trade 2008-2012" was published in February 2008 after a strategic review with significant input from all of our stakeholders – our licensees and retail partners, producers, NGO partners, international colleagues, funders, Trustees and staff.

The strategy sets out how the successful model of Fairtrade can be radically extended in reach and impact – to tip the balance of our trade with poor producers decisively in their favour. The plan sets out five strategic goals for Fairtrade:

- To develop Fairtrade to extend and deepen its benefits for farmers, workers and their communities so that by 2012 twice as many producers will be benefiting from selling Fairtrade goods in the UK, while those already supplying the UK market are able to double the proportion of the crop they sell via the Fairtrade system.
- To build further support for Fairtrade across UK society so that by 2012 three quarters of people in Britain recognise the FAIRTRADE Mark and what it stands for, people from all parts of society see Fairtrade as the norm and supporters are a vibrant people's movement for change.
- To work with business to ensure more companies sell Fairtrade products, and those that do, move from just complying with the standards to a deeper commitment. By 2012 we want there to be a diversity of companies in Britain producing and selling Fairtrade goods in all areas of the market – including thriving new and established companies dedicated to Fairtrade, restaurants, high street fashion stores, multiple retailers, small businesses and a growing group of household brands converting to Fairtrade.
- To propel Fairtrade sales and market share to a new level so that by 2012 the UK market for Fairtrade products will have reached £2 billion a year – four times the 2007 level.
- To scale up our activities, our systems and work with our partners so that by 2012 the global Fairtrade system is known as a beacon of good practice in trade and development, enabling the voice of the poorest to be heard at the highest level.

Trustees review progress on each priority during the year through quarterly reporting against key performance indicators. However in 2010 as the midpoint in the five year strategy, an in-depth review of progress was conducted on a pro-bono basis by strategy consultants, OC&C. This review highlighted that significant progress had been made in three of the five Tipping the Balance goals, but highlighted that more work was needed around Goal One: ensuring that producer impact is identified and better communicated; and Goal Five around scaling up the system. For 2011 the following progress can be reported.

### • Increasing Fairtrade's impact for producers

Estimated retail sales of Fairtrade products in 2011 reached £1.32bn, a 12% increase on sales of £1.17bn in 2010. The number of small farmers and workers benefiting from Fairtrade now totals more than 1.15million in 63 producer countries. Fairtrade premiums, the extra that producers receive for business or social development increased on top of the price for their produce to £20.5million in 2011.

During 2011 we launched Fairtrade into a whole new category of mining, with Fairtrade and Fairmined gold. Globally there are 15 million artisanal and small scale miners characterised by high levels of poverty. Working in partnership with the Alliance for Responsible Mining we provided support to miners, introduced market incentives to target improved working conditions and supported community development and responsible environmental management practice initiatives. With strong retailer interest, the focus in 2012 will be raising consumer understanding and commitment.

We continued to work closely alongside Fairtrade Africa with support from Comic Relief to build their capacity to take an increased leadership role for Fairtrade. Notable achievements in 2011 included working under their leadership at the Durban Climate Conference (COP17) to influence policy in favour of small farmers; and assisting the development by Fairtrade Africa of Fairtrade standards to further improve relevance and impact. The influence of Fairtrade Africa is improving as it is seen to be an authoritative voice representing African producers in the global system on issues such as standards, prices and social issues.

Impact reports completed and/or published in 2011 cover bananas, cotton, sugar and a country focus on Malawi. One of the key findings emerging is that Fairtrade – through the minimum price guarantee – is helping to make farming communities more income-secure and income-stable and thereby less vulnerable to poverty. In many key products, Fairtrade assures farmers a higher price for their product than the conventional market price which is vital considering the volatility in commodity prices. The additional income through Fairtrade Price and Premium is helping farming communities save, invest in assets and plan for the future. Further, investment of the Fairtrade Premium in community development projects like improved health facilities, better access to education for children and adults, re-investment in productive assets to improve quality and yields is highly valued and improving the quality of lives of rural communities.

Fairtrade is committed to an ongoing cycle of review and learning. Lessons from the impact reports point to future areas of improvement. For instance, more needs to be done to improve the rights of workers working with Fairtrade, and in 2011 a review of our Hired Labour Standards was initiated which included considering how best to guarantee living wages for workers, how to guarantee freedom of association and how to empower workers to effectively participate in and benefit from Fairtrade. Fairtrade also needs to invest more energy into building long-term, sustainable partnerships between smallholder farmers on one end and big businesses and retailers at the other. We need to address the imbalance of power in the supply chain. To this end, the Fairtrade Foundation initiated a unique research project to understand best practice in sourcing from smallholders in supply chains. We are working with producers and big businesses to understand the challenges each of these groups face and to bring together all actors in the supply chain to increase impact for producers. Fairtrade also acknowledges that more needs to be done to strengthen the voice and role of women in smallholder agriculture and empower them. The work that Fairtrade International initiated in 2011 on developing a gender strategy for the global system is a necessary first step in this direction.

We continued to build up our policy and advocacy work on climate change impacts and adaptation for Fairtrade producers. We commissioned a report by research partner, NRI (University of Greenwich) into the challenges of climate change, and issues of agricultural adaptation, looking into crops including rice, cotton, vegetables, coffee, cocoa, tea, bananas and sugar cane, as well as country case studies in Kenya, Mali and the Dominican Republic. We worked closely with Fairtrade Africa towards COP17 in Durban, South Africa, at which producers from all three continents took part in a range of high level seminars and presentations to share the impacts of climate change, and advocate for small farmer access to climate adaptation technical support and finance.

In November, we supported the Cumbria Fairtrade network with an exchange between Robert Craig, a Cumbrian dairy farmer and Stephen Best, a Windward's banana grower, sharing common issues of securing a fair deal from the market. We launched a discussion paper "Farmers of the World Unite" in time for a conference to share local and global farming issues which attracted over 200 people, chaired by the local MP, Rory Stewart.

### • **Shifting public opinion and consumer lifestyles to make Fairtrade the norm**

Our Globescan and TNS research revealed FAIRTRADE awareness levels reaching an all-time high of 77% (from 74% in 2010), complimented by trust levels at 90% (up from 85% in 2010), to surpass our Goal two that three quarters of the public recognise the FAIRTRADE Mark by 2012 .

Fairtrade's consumer communications are designed to bring alive the benefits that Fairtrade brings to producers in developing countries. We therefore set out two key objectives for 2011: To inspire and re-inspire customers to create a passion and depth of commitment and understanding towards Fairtrade with the aim of moving them to more conscious and informed purchasing; and to increase sales of Fairtrade products.

Fairtrade Fortnight 2011 saw the continuation of the new brand identity which was introduced in 2010, supported by a new Fortnight theme: Show Off Your Label. Commercial stakeholder and campaigner response to the theme was mixed and overall commercial uptake was low as some found it difficult to translate into commercial activities.

We did however have a huge hit with our campaigners, who successfully broke the Guinness Book of Records for the world's longest cotton bunting on World Fair Trade Day, when a single length of beautifully decorated Fairtrade cotton flags from all over the UK stretched for 3427.94 metres around Battersea Park. In total the Foundation had received a grand total of 132,000 cotton bunting flags during its campaign, which if stitched into one continuous string would have reached over 20km! Sadly there was nowhere big enough for such a long stretch! This was part of our campaign for trade justice for West African cotton farmers, and the abolition of trade-distorting subsidies in the EU and the US, following the launch of our policy report in November 2010. Our campaign continued through lobbying MEPs as part of the review of the Common Agricultural Policy. In the autumn, we joined up with Traidcraft to lobby UK Government ministers to put more pressure on US subsidies in the run up the WTO meeting in November. Despite verbal political support in both the UK and EU, no decisive action has been forthcoming, and West African cotton producing nations are still waiting for trade justice.

In 2011 we achieved 4,590 media hits overall. In a tricky and competing media climate Fairtrade Fortnight had slightly lower than anticipated paper media coverage and TV coverage was disappointing. But we retained our position on both recall and understanding of Fortnight (at 49% of the UK population) while increasing 'purchased as a result of Fortnight' (from 25% to 29%).

Both gold and cotton caught the media interest as 20 gold companies said 'I do' to Fairtrade and Fairmined gold at a press conference launch on Valentine's Day. Miners from Bolivia and Peru joined the Fairtrade Foundation and the Alliance for Responsible Mining, speaking to a packed room of journalists and businesses and the event was widely covered in the mainstream, fashion, jewellery press. This was followed up in June during International Jewellery Week London with a special exhibition and reception with companies who had signed up to offer jewellery made with Fairtrade and Fairmined gold. In November, Fairtrade and Fairmined Gold caught the public eye again as Chichester Cathedral unveiled the new steeple weathervane, proudly gilded with Fairtrade and Fairmined gold.

During the rest of the year we successfully executed or contributed to various events from commercial facing (e.g. Commercial Conference, Caffee Culture and London Jewellery Week) to consumer facing (e.g. Jamie Oliver's Feastival, Ben & Jerry Double Scoop Sundae festivals) highlighting the breadth of FAIRTRADE products, their impact and so promoting sales.

In 2011 the level of grass roots support was further demonstrated by the ever increasing number of Fairtrade Schools and Towns: We celebrated our 500th Fairtrade School in Fairtrade Fortnight (Laugharne VCP School in Carmarthenshire, Wales), and 1000 Fairtrade Towns worldwide on 4 June, with the simultaneous declarations by 11 towns and cities, from Australia, Japan, Germany, Netherlands, Belgium, Scotland, Wales, the USA and including Prime Minister David Cameron's own constituency of Witney in Oxfordshire. By the end of 2011, we had reached 530 Towns in the UK and 1075 globally. There were 698 schools who had achieved Fairtrade status, and a total of 5221 registered with the scheme.

Development of grass roots support also continued to grow in universities, churches and other faith groups. At the end of December 2011 there were 150 Fairtrade Universities and Colleges and over 6900 faith groups (mainly churches, church networks and dioceses, also 44 synagogues, 3 mosques, 1 Hindu temple and 1 Bahai community). Working with Islamic Relief, we launched the first guide to Fairtrade and Islam, and partnered with Muslim networks such as Radical Middleway and MADE Europe to hold our first Fairtrade Ramadan campaign.

Key awards received during 2011 included Renwick Rose of the Windward Islands Farmers Association (WINFA) receiving the "Guardian International Development Achievement Award", Greg Valerio of the Alliance for Responsible Mining winning the "International Campaigner" award in the Guardian Ethical Awards for work on Fairtrade and Fairmined gold. Furthermore, Harriet Lamb was named Red Magazine's Red Hot Eco-Woman!

- **Expanding business engagement with Fairtrade from compliance to deeper commitment**

In 2011 we also celebrated a newcomer to Fairtrade as Mars announced plans for their first Fairtrade product switching Maltesers to Fairtrade in 2012 using cocoa from West Africa. Upon launch, three of the top five chocolate products in the UK will be Fairtrade.

Meanwhile other chocolate confectionary companies continue to deepen their commitment to Fairtrade by converting new ranges and continuing their multi-year investments in cocoa origins like Ghana and the Ivory Coast. During 2011 Green & Black's completed the conversion of their entire range of chocolate bars and beverages in the UK and globally to 100% Fairtrade. We also worked closely with Kraft and our colleagues in the still relatively new labelling initiative, Fairtrade Label South Africa, to launch Fairtrade Cadbury Dairy Milk in South Africa in June 2011. Kraft launched a brand new Cadbury Dairy Milk based product called "Chocos" in May 2011. In the first seven months they sold 14M units.

During 2011 Ben and Jerry's completed their 100% conversion in the EU with all remaining product lines certified and on the shelf towards the end of the year.

2011 saw the launch in Sainsbury's and Waitrose of the first UK ready meal using Fairtrade beans and herbs. The beans behind these Fairtrade firsts have come from a group of farmers in Inner Mongolia, living in one of China's poorest rural regions near Tong Liao City. Far from the sea, and sitting at altitude, the winters here are long and cold and the summers fleeting and warm. These are the perfect conditions for the 39 farmers of Jurihe/Zhaluteqi Nature Village Farmer Association to grow soybeans and other pulses, including the white kidney beans that go into Geo Organics Fairtrade baked beans. Mr Liu Gui Hai, chair of the co-operative says: 'We have invested the social premium in building a well for the village which helps the farmers greatly. With the Fairtrade premium, we can give subsidies to families who face accidents and disasters, such as fires.' In the village of Tie Bei, everyone is hopeful that demand for Fairtrade pulses in the UK will be high. Their children's education is depending on it. The schools in the area are old, shabby and ill equipped, so they've got big plans for investing the Fairtrade premium in education – books, equipment, classroom refurbishment, even whole new school buildings. At the moment, children often have to make journeys of over an hour on foot to reach the nearest school and in the depths of winter, when temperatures can drop to minus 20°C, the walk to classes is out of the question. The farmers also plan to invest in heaters and warm clothes to see them through the worst of the winter.

Cosmetics is still a relatively new Fairtrade category, first launched in 2009, building on the many exciting launch brands and real innovation seen in 2010. PZ Cussons launched two body wash products in Sainsbury's; Essential Care launched the first Fairtrade makeup (lip and eye pencils) in UK, Ethos concepts (Gruffalo branded children toiletries) launched in Waitrose, as did a range of Visionary Soaps products. 2011 also saw the launch of the

world's first Fairtrade tooth product by Lush on a global scale. Their Atomic Toothy Tabs are a solid tablet based alternative to toothpaste, using Fairtrade herbs and spices clove and cinnamon to combat the bacteria that can build up in the mouth.

The commitment of the retailer in the UK continues to grow with Sainsbury's announcing their 20 by 20 declaration which commits to £1.0 billion sales of fairly traded products by 2020. To help them achieve this we have helped with the Development of a Joint Business Plan with Fairtrade. In 2011 they launched 100% Fairtrade Easter Eggs, a new range of Chocolate and introduced a coffee sourced from the Democratic Republic of Congo (conflict zone). They are also on track to maintain T-shirt volumes in 2012-13 (1.8 million garments) through the implementation of an innovative pre-finance/premium separation financial model. The Co-operative announced commitment to switching all primary commodity purchases from developing countries to Fairtrade by 2013. Fleshing out the Co-op's 'Join the Revolution' plans will lead to them specifically converting to 100% Fairtrade bananas in time for Fortnight 2012. We have also secured agreement with them that sourcing from Smallholder Producer Organisations is fundamental to delivering their conversion vision with integrity. Marks and Spencers confirmed converting Organic Bananas to Fairtrade & Organic in time for Fairtrade Fortnight 2012 – resulting in Fairtrade representing 61% of M&S Banana sales. Meanwhile Tesco launched their Fairtrade Organic Large Bananas with retail sales estimated at £4-5 million.

The 2012 Olympics provided a great opportunity for Fairtrade products and in 2011 we secured agreement with LOCOG (London Organising Committee of the Olympic Games) that all their contracted catering partners committed to hitting benchmark standards on Sugar, Tea, Coffee and Bananas. We have since received commitment from almost all catering suppliers and LOCOG to support on delivery of Food Vision during Olympics. As part of the games legacy, key suppliers such as Sodexo and Baxter Storey who switched sugar supply specifically for the games have confirmed that they will continue to do so after the games finish. For those spectators sipping wine whilst watching the athletes, Fairtrade wine was an option as Bibendum won the Olympic wine contract to supply circa 2 million bottles of White and Rose Fairtrade wines.

Other catering suppliers such as Compass continue to see double digit growth with both Brakes and 3663 increasing ranges in 2011. In fact the top three caterers (Compass, Aramark and Sodexo) are all now using 100% Fairtrade Sugar. There is growing support from Greggs who are improving communications across all their sites, online and with customer rewards, high street restaurant Prezzo lists Fairtrade wine for the first time and Pret a Manger have started prominent communication and promotion of Fairtrade in store.

### • **Growing Fairtrade's share of key markets to propel sales to a new level**

With 2 billion people worldwide still earning less than \$2 a day, the Foundation continued its work with companies and with the public to increase sales. Sales continue to out-perform overall commercial trends with 12% growth in 2011, and look set to grow further in 2012 as businesses expand and deepen commitments to Fairtrade's model of ethical sourcing.

Chocolate confectionary has become the largest Fairtrade category in the UK, crossing £400 million retail value. Hot chocolate sales have more than doubled; retail value is now nearly £70 million. Cocoa has seen significant growth at 34% increase over 2010.

Sugar saw significant growth of 21% in 2011, driven by the success of chocolate confectionary, and underpinned by sales of packet sugar by retailers, cafes, restaurants. Sugar is the single largest Fairtrade product by market share, with the Morrison's switch to Fairtrade sugar (using Tate and Lyle) bringing Fairtrade to 42% share of the retail bagged sugar market.

Tea and Coffee sales are increasing again. Coffee volumes saw a 1% annual growth in 2011 which was a positive turn around after the declines in 2010 and provided for success in maintaining overall coffee volumes sales. Instant coffee volumes increased by 5%. Tea volumes and value grew by 5%.

The Herbs and Spices category grew by 40% in 2011, from a range of licensees including Sainsbury's who launched an own label spice range of 16 sku's in total, with big commitment to pepper; Schwartz becoming a new licensee with three conversions of their existing herb lines: Basil, Marjoram and Mint; and Bart Spices launched a Fairtrade Herbs range with four new lines and commitment to three additional lines.

Fairtrade and Fairmined gold launched in February with a press launch event in the heart of London's jewellery sector, Hatton Garden, followed by product launch in partnership with London Jewellery Week. The focus in 2011 has been on building supply chains and working with jewellers. There has been strong positive feedback from the industry driving the number of gold licensees to 40, including ethical pioneer Cred Jewellery, manufacturer Cookson Precious Metals, and bespoke jeweller Harriet Kelsall. Several full collections and over 591 individual pieces were certified including jewellery worn at the Oscars; the most expensive Fairtrade product ever sold; and a gold weathervane on top of Chichester Cathedral.

Against a picture of overall growth, however, some product categories have struggled in the midst of recession. In particular, Fairtrade cotton sales have continued to decline in the past year, with value sales down 21% and volumes 38%, prompting a rethink of the cotton model. Flowers continue to struggle with volumes down by 5%.

largely due to bankruptcy of a major trader. Whilst sales of fresh fruits excluding bananas were also hit with sourcing issues as was apple juice leading to a decline of volumes sold under Fairtrade terms of 22%.

## • **Scaling up and developing Fairtrade's systems**

The Foundation supported major efforts to improve the international system. A key decision taken by the global Fairtrade movement in 2011 was that producer networks will own half of Fairtrade International – making us the only major global certification body half-owned by producers.

We therefore continued our support to the three Producer Networks, who are key to shifting the axis of Fairtrade towards the South. The Foundation worked closely with Fairtrade Africa as part of the Comic Relief project and has also helped the CLAC (Latin American & Caribbean Network of Small Fair Trade Producers) and the NAP (Network of Asian Producers) with their development plans, providing funding where possible.

We also moved forward with our Tipping the Balance goal to increase the voice of our grassroots campaigners in our governance. We established a Campaigns Advisory Group, drawn from experienced local organisers across the UK and conducted a major consultation with our campaign networks to get their feedback on proposals for more formal membership of the Fairtrade Foundation, as well as suggestions for improving support to campaign networks. An online survey was followed by five regional campaign consultations, building consensus on a recommendation to establish a formal National Campaigner Committee, and accept this group as a formal member of the Foundation, with equal status to other member organisations. This was passed by the EGM in December, for implementation during 2012. Meanwhile Joe Human brings his Fairtrade town's campaigner experience to the board of Trustees after his election in June 2011.

The Foundation continued to provide additional financial support to Fairtrade International to support its development and commence the implementation of its strategic plan. Significantly the Foundation has continued to make its Director of Strategy and Innovation available to Fairtrade International to support the implementation of the new international strategy. He was re-elected to the Board of Fairtrade International in 2009 for a second three-year term and re-appointed by the Board to serve as Executive Vice-Chair. In this role, he leads on strengthening governance and accountability of Fairtrade International and on external relationships with other parts of the Fairtrade movement. Ian Bretman left the Foundation in 2012, at the end of his term on the FLO Board. The Foundation would like to thank him for his leadership in the UK and internationally during his time with Fairtrade.

The Foundation continued to work ever more closely with other Fairtrade Labelling Initiatives around the world. It's important that existing markets achieve their full potential and as one of the most successful markets for Fairtrade, the UK experience in commercial relations, public communications and grass-roots support projects such as Fairtrade Towns, is often referenced by our partners. The opening up of new markets for Fairtrade is key to our objective of providing additional opportunities for producers, and so the Foundation has provided advice and support to Fairtrade South Africa since its formation. We have also provided advice and financial support to Fairtrade Japan and Fairtrade Ireland to assist them as they scale up Fairtrade sales in their respective markets.

As Fairtrade sales continue to grow rapidly in the UK, the Foundation's systems, processes and procedures need to keep pace. Work outlined below will enable the Foundation to gear up for future growth thus enabling it to continue to provide the independent guarantee for Fairtrade whilst acting within its wider developmental aims. During 2011 the Certification Team built on their 2010 simplifying processes work, to develop a better understanding of the certification risks and the introduction of a risk based approach to licensee auditing.

Further developments of the "LASer", the Licence Application Service launched in 2010, which improved speed and accuracy of management sales information, have enabled more efficient data collection processes; more accurate income forecasting; and the automation of key internal process such as the reconciliation of invoices to certified data.

An annual staff survey is one of the methods used to monitor staff engagement and organisational effectiveness. 80% of staff responded to the 2011 survey, with 94% of questions answered more positively than in 2010. 83% of staff reported that they enjoy working for the Fairtrade Foundation, up 16% from 2010. Martyn Dicker was appointed Director of Human Resources in June 2011 and has put in place an HR plan to address necessary changes.

The Foundation also sought to strengthen and review its governance, bringing in four new Trustees in 2011: Paul Brannen (Christian Aid), Joe Human (Fairtrade Campaigner), Arun Ambatipudi (Network Asian Producers) and Diana Holland (Unite the Union). The Foundation would like to say a special thank you to David McCullough, Tomy Mathews and Bert Schouwenburg, whose terms on the Board came to an end in 2011, for all their leadership, encouragement, guidance and support during their time as Trustees. As part of the governance review the board elected a new chair to the Certification Committee, Nabilai Suma, and the committee are in the process of reviewing the membership in light of changes in certification work. The Foundation would like to say a special thank you to Ann Davison for her leadership of the Certification Committee during her tenure.



## Plans for 2012 and Beyond

The Tipping the Balance strategy ends in 2012 so we will be developing a new strategy for 2013 to 2015. This three year strategy will bring the Foundation's planning in line with the strategies of international partners, such as Fairtrade International. Meanwhile 2012 will remain a year of consolidation and focus to ensure that recent growth and scaling up is properly embedded. We will therefore continue to strive to achieve our current goals through the five strategic Tipping the Balance objectives as follows:

- **Tipping the balance of Fairtrade's impact for producers**

We will touch more lives, more deeply by supporting producer organisations already in the system to sell more under Fairtrade conditions, as well as developing the market for existing and new Fairtrade products so as to open the door to Fairtrade for more farmers and workers.

We will continue to develop plans for the products and target countries we work with so that the most disadvantaged, especially smallholders in the world's poorest countries, reap most benefits.

- **Tipping the balance of public opinion and lifestyle in favour of Fairtrade**

We will continue to build and embed support for Fairtrade across UK society, seeking to deepen understanding of and affinity with our work as measured by recognition of the Mark and the number of people actively choosing to purchase Fairtrade products.

We will continue to raise the Foundation's profile as the UK's leading authority on Fairtrade and develop the role of our grassroots supporter networks as the heart of the movement.

To further establish FAIRTRADE as the norm and part of everyone's lifestyle, the second half of 2011 saw our attention move towards how best to transfer our significant awareness and trust into action, whether buying or campaigning. Applying insights from our research, a comprehensive review of recent Fortnights and consultation with key stakeholders, we completed plans for Fortnight 2012 with a change in our approach. Most significant was the decision to move beyond exclusively focusing on a two week period at end Feb/early March to an annual campaign that encouraged action and provided three additional opportunities (World Fairtrade Day (May), Summer of Fairtrade and Autumn of Fairtrade to keep Fairtrade top of mind. The theme for 2012 is the "Take a Step" campaign which will provide a simple, yet broad and flexible enough idea to encourage our stakeholders to take 1.5 million steps, one for each Fairtrade farmer/producer in the global system (although not all of these supply the UK). Key activities include a Step-O-Meter on the dedicated Take a Step website rallying everyone to achieve 1.5 million steps with periodic rewards from commercial partners to encourage existing and/or attract new audiences to Take their Step for Fairtrade.

In 2012 we will continue work on the Ask Malawi project, an innovative new media concept jointly funded by Comic Relief and the Foundation which provides Fairtrade producers in Malawi with the opportunity to provide video answers to questions posed by consumers in the UK. By using advances in mobile video technology we are empowering producers to tell their own stories, the project is scheduled for launch in 2012.

- **Tipping the balance of business engagement with Fairtrade**

We will encourage companies to move from compliance to commitment, including the Foundation doing more to recognise and support the role of dedicated fair trade businesses at the cutting edge of innovation in Fairtrade.

- **Tipping the balance of Fairtrade's presence in markets**

We will increase the impact of the current model in categories where Fairtrade is becoming the norm. By working towards a UK market share of at least 50% in categories such as Bananas, Sugar and Cocoa and more than 10% market share in at least six other food and drink categories, such as Tea and Coffee. We recognise that although there has been significant growth of Fairtrade over the recent year we will not achieve all the Tipping the Balance targets by the end of 2012. Our work must therefore continue to bring the benefits of Fairtrade to more producers in more countries and to more retail products. To that end we will be reviewing the Tipping the Balance targets, focusing our effort in areas where we can make the most difference and developing new targets for the new 2013-15 strategy.

We will adapt our model to make a difference in a wider range of business sectors including developing standards for more complex products, and scaling up Fairtrade to work effectively in whole categories and with new businesses.

- **Tipping the balance of Fairtrade's capacity to scale-up for the future**

To build on the decision of 50% ownership by producers globally, we will provide support and resources to ensure that producer networks have the capacity to fulfil this ground-breaking role. We will work with international partners to ensure robust governance structures are in place that will enable the concept of 'dual citizenship', This will see the Fairtrade Foundation becoming more accountable to the global movement, whilst remaining responsible for delivery of local work and ensuring we remain grounded locally.

In 2012, the Foundation's Trustees and Members will therefore be reviewing the UK governance model. As the Foundation approaches its twentieth year in 2014, through consultation with members the governance review will consist of two key parts, the role of Founder members and the skills needed on the board of Trustees. In considering the role of the Founders Members to ensure the charity remains true to its mission, social impact reporting for members will be developed in 2012. Additionally it is proposed that two of the Trustee places elected by Founders Members are re-allocated to places elected by Producer Networks. As the Foundation develops its strategy for 2013-15, in December 2011 the members supported the Board's proposal to review the future makeup and skills mix needed on the Board of Trustees. To that end all Trustees will stand down in December 2012, giving Members the opportunity to re-nominate and re-appoint Trustees with the skills needed to deliver the new strategy.

We will continue to seek major financial investment in the global Fairtrade system so that it can scale up and simplify its present operations and extend these through research and innovation into new areas.

We will continue to strengthen our certification processes to reinforce the credibility of the Mark and to ensure that scalable growth is achieved with integrity.

We will continue to streamline our systems and procedures to be fit for the scale we aim to achieve, and to deliver the best possible levels of service and value-for-money for all stakeholders. As part of this process in 2012 the Foundation will review its staffing structure, to ensure that it aligns with delivery taking place elsewhere in the international movement. This will see a reduction in some roles and functions that are currently being carried out in London as some of these are duplicated in other global partners.

## Financial Overview of 2011

Incoming resources for the year decreased by 1% to £10.9 million. The principal component of income, the licence fee charged to companies carrying the FAIRTRADE Mark on their products, decreased by 2% to £8.2 million from £8.4 million. This is the result of two key factors which artificially elevated the 2010 Fees income. Firstly the implementation of improved income systems in 2010 resulted in the identification of income back-dated to 2007 being invoiced in 2010, and secondly a number of issues with 2010 reporting were identified and adjusted in 2011. Due to these factors the annual sales volume and wholesale value of Fairtrade products provides better metrics to compare the two years, and these increased on 2010 by 6% and 12% respectively.

Grant income remained broadly in line with 2010, increasing by 4% from £2.2 million to £2.3 million. The significant new grant that commenced in 2011 was from the European Commission towards our work in encouraging UK public sector bodies to procure Fairtrade Cotton. Activities in year one have focused on building industry ties and developing materials, which raise awareness of Fairtrade Cotton products, for use in the UK and also by our project partners across Europe.

Other grant income came from the Department for International Development (DfID), a Programme Partnership Arrangement (PPA), which began in April 2010 and the continuing Comic Relief Special Initiative grant for the 'Fairtrade for Development in Africa' project. The four year DfID PPA was awarded to Fairtrade International with some of the funds coming to the Fairtrade Foundation to help build more in-depth support for Fairtrade and international development with the UK public. The Comic Relief grant remains the largest grant received by the Foundation and supports innovations in communicating about Fairtrade to the UK public as well as supporting work in Fairtrade Africa, Fairtrade Label South Africa and Fairtrade International. A supplementary grant was also received from Comic Relief in 2011 to ensure that the interests of Fairtrade and vulnerable producers in general are represented in national and international policy forums related to climate change.

The funding relationship with Impetus Trust continued in 2011 with core funding to assist the Foundation in the implementation of its strategic plan.

Valuable support was provided by the Waterloo Foundation as part of a two-year commitment to developing Fairtrade and Fairmined standards for artisanal gold in Latin America, the Allan and Nesta Ferguson Charitable Trust to support the Window on Malawi project (part of the 'Fairtrade for Development in Africa' project), and TRAIID (Textile Recycling Aid for International Development) to fund the second year of a pilot project looking at the opportunities for a Fairtrade model for textiles based on the empowerment and development of workers in Fairtrade supply chains. In 2011 TRAIID started supporting a second project, this time working with two factories in India to help them reach standards to manufacture Fairtrade cotton products. Marr Munning Trust contributed generously towards scoping study work in Latin America for Fairtrade Gold groups and the Co-operative Group provided funding for the publication of research reports.

We would like to thank all those who have continued to provide funding over a number of years, whether for core activities, or for specific projects in the UK or overseas – in particular DFID, Comic Relief, Shared Interest Foundation, United Reformed Church and Triodos Bank.

Donations decreased by 59% in 2011. 2010 Donations had included an exceptional gift in kind of £170k worth of pro bono consultancy work provided to the Foundation by OC&C Strategy Consultants which explains this fall. However if comparison with this exceptional gift is excluded, donations increased by 29% from £80k in 2010 to £103k in 2011. The Foundation is extremely grateful for the financial support provided by individual and group donations in support of its work to bring more farmers into Fairtrade.

Resources expended decreased by 6% from £11.5 million in 2010 to £10.8 million in 2011. Resources have been carefully aligned with the strategic direction of the charity in 2011 which was to consolidate activity around increasing sales and account management support for licensees. This focus resulted in minor variances in funds allocated to Certification and Licensing (3%) and Market and Product development (3%) and Public Education & Awareness (-3%). Meanwhile funds allocated to Producer and Product Support reduced by 11%, as a result of lower staff headcount in the team and a more collaborative approach to this workload with international partners. Governance costs decreased by 57% on 2010 largely because 2010 expenditure includes the value of the pro bono consultancy work carried out by OC&C to conduct a review of progress on the five year strategy "Tipping the Balance", and also due to the secondment of a senior employee to Fairtrade International during 2011.

Overall there were net incoming resources of £0.03 million which led to a slight increase in total funds to £2.5 million. The net increase on unrestricted funds of £2k is lower than the surplus budgeted by Trustees. This therefore resulted in the General Fund reserves at the year-end of £1.4 million being lower than envisaged and lower than the reserves target of £2.21 million. The surplus budget set by the Trustees for 2012 aims to make a contribution to reserves, whilst maintaining the investment in the resources needed to deliver the ambitious plans set out in "Tipping the Balance". From 2012 UK resource allocation will focus on the UK market facing activities and functions. Subject to a suitable model being developed and agreed the pooling of resources with international partners will commence in 2013. This will enable the delivery of producer facing and other activities needed outside the UK to be shared where possible and practical. To this end, the UK is conducting a change

management review to identify workload duplication with other partners and enable the transition of such work. The Trustees aim to achieve the target reserves level over the next three years.

The management and Trustees have conducted a thorough review of the financial trends and assumptions used in forecasting financial performance for at least the next 12 months and consider that the charity remains a Going Concern.

### **Investment Policy and Performance**

The Memorandum of Association allows the Foundation to invest funds not immediately required as the Trustees think fit. The Board's investment policy rules out speculative investment and requires that funds expected to be needed within a twelve-month period be held in cash or on deposit with immediate or short-term notice access. It allows funds likely to be held for longer to be placed in low-risk investments and requires that there is no exposure to unrecoverable taxation. The policy also requires that no investment shall be made which is likely to damage the Foundation's interests by offending the ethics of current and potential stakeholders.

In the recent past the Foundation, because of its low level of free reserves, has restricted investment to on-call cash deposit accounts. The Board has an investment policy that allows cash to be invested in short-term cash deposits of up to six months with criteria in place to determine the financial and ethical exposure of these deposits. The Trustees believe this approach to its cash investment is an appropriate way for the charity to hold these funds.

### **Risk Management**

The Trustees undertake a regular review of risks facing the Fairtrade Foundation and it is an integral part of the operational management undertaken by the senior management team. The Trustees believe that through this process a wide range of risks faced by the charity have been identified, quantified and, where appropriate, action taken on a continuing basis to manage those risks. Top risks identified include potential problems with the supply of Fairtrade commodities, other certification Marks, Public Relations expose/ scandal and failure of internal and global systems.

The Trustees note that many of these risks are commercial or external ones and reflect the fact that the Fairtrade Foundation is just one component within the Fairtrade system. The Trustees have carefully considered these risks and identified appropriate strategies for the Foundation to pursue to ensure the risks are minimised.

### **Reserves Policy**

The Trustees review the reserves policy each year as a part of the overall risk management of the Foundation. The target level of Free Unrestricted General Funds is reviewed at regular intervals as part of the annual planning cycle. Two calculation methods are used to determine the target reserves levels for the following year:-

- 1) Trustees identify and consider the financial implications and likelihood of any significant risks. Assessment in December 2011 of the financial implications of these risks provides a target level of £1.73 million;
- 2) A reserves target of at least three months unrestricted running costs is calculated. In December 2011 this target was calculated to be £2.21 million for 2012.

The target level for free unrestricted reserves (General Funds) is to achieve and maintain the higher of the two target levels, i.e. financial risk implications (currently £1.73 million) or 3 months running costs (currently £2.21 million), therefore £2.21 million.

However Fairtrade has achieved significant growth in recent years and this has significantly increased these targets to levels exceeding the actual general funds of £1.41 million at the end of December 2011. The Trustees are also aware that to maintain and build on these recent successes the Foundation must continue to develop its systems and business processes to support the future growth of Fairtrade. The Trustees realise that achieving and maintaining the higher target levels will not be achievable immediately and therefore in September 2011 they approved the proposal to increase reserves to these levels over three years. Free Unrestricted Funds equivalent to 10 weeks unrestricted expenditure should be achieved by the end of 2012 and 12 weeks by the end of 2013.

Free unrestricted reserves at the 2012 year-end are budgeted to be £1.79 million, which is in line with 10 weeks unrestricted expenditure previously approved by the Board. The Trustees will continue to review the level of reserves so that the Foundation maintains the appropriate level of financial security required for the challenges of the years ahead.

## Structure, Governance and Management

### The Organisation of the Charity

The Foundation is a company limited by guarantee and a charity registered in England and Wales. It is governed by its Memorandum and Articles of Association as adopted on 2 July 1992 and subsequently amended on 25 January 1994, 20 May 2003, 15 July 2006 and 30 June 2007. The organisation was initially founded in 1992 by CAFOD, Christian Aid, Oxfam, Traidcraft Exchange, and the World Development Movement, with the National Federation of Women's Institutes joining shortly afterwards – these organisations are known collectively as the Founder Members. In 2003 membership was opened up to enable other organisations to participate in the governance of the Foundation and to share their expertise and experience with us. Organisations applying for membership are expected to have either a strong development or consumer focus, and to contribute to the promotion of Fairtrade, for example amongst their own supporters. Between 2003 and 2010 nine organisations joined as members. In December 2011 the existing members elected the Fairtrade National Campaigner Committee to join membership of the Foundation. A full list of member organisations is given on page 32.

### Trustee Appointment and Induction

The Board can comprise up to 12 Trustees who are appointed by the following process determined by the Articles of Association. Up to four positions are available to be elected by the six Founder Members and a further four positions available for election from the full membership. Formal elections take place at the Annual General Meeting where one third of the elected Board stand down by rotation. Elected Board members have the power to co-opt other Trustees so long as the total number of Trustees does not exceed 12.

All Trustees are elected or co-opted for a three-year term with those co-opted subject to a six-month initial probationary period. Trustees can serve for up to six years before they are required to stand down. After a period of one year, Trustees become eligible for re-appointment again.

In filling the places available for co-option the Trustees review the skills already present on the Board and identify the key skill gaps that exist as part of drawing up the specification for potential Trustees. Increasingly the Foundation uses external advertisements to attract a full range of candidates for vacancies.

All new Trustees receive an induction pack which contains information on the history of the organisation, governance and operational structures, minutes of Trustee meetings for the previous year, relevant budgets and accounts, and Charity Commission publications on Trustee responsibilities. When a number of new Trustees start at a similar time, especially when they do not have the detailed knowledge of Fairtrade that existing Trustees possess, induction days are held to enable them to meet members of staff and to hear more about operational plans and priorities of the Foundation. In addition, Trustees are invited to a wide range of events, for example the launch of Fairtrade Fortnight and other promotional events, licensee meetings, and other stakeholder events, so that they have a wide exposure to the various stakeholders in the Foundation. Should the appropriate opportunity arise Trustees may sometimes visit producer groups to see at first hand the impact of Fairtrade.

Each year the Board conducts a survey of trustees and non-trustee sub-committee members. This helps trustees identify and assess the areas of governance structure that perform well and where improvements may be needed, and to review and consider the skills mix of the board and sub-committees.

### Trustee Meetings and Board Sub Committees

The Board meets at least four times a year and has overall responsibility for the policy and strategic management of the Foundation. The main tasks of the Board are:

- Setting and maintaining the Foundation's vision, mission and values and in particular agreeing and approving the strategic plan.
- Ensuring strong links with the member organisations and the Fairtrade movement.
- Contributing creatively to the development of the Foundation, including fostering relationships with major licensees.
- Developing the Foundation's policies on trade justice and other means of poverty reduction related to the Foundation's core activity.
- Agreeing and monitoring major policies and programmes (e.g. annual plans and budgets).
- Supporting and appraising the Executive Director, and approving staffing and remuneration policies.
- Reviewing reports and management accounts to ensure that the Foundation's performance is in line with its policies and programmes, that it is managing any risks correctly and taking any remedial action needed.

The Board has four sub committees: the Executive Committee, Certification Committee, Nominations Committee and Remuneration Committee.

The Executive Committee consists of three Board members and three independent specialist advisers, one on personnel issues, one on finance matters, and one on strategic matters. The committee meets up to five times a year to:

- Monitor progress on major issues between Board meetings.
- Consider any matter specifically referred to it by the Board.
- Give first consideration to papers on strategic issues before they are submitted to the full Board.
- Monitor the development and implementation of human resource strategies and policies
- Undertake the functions of a finance committee, including:
- Reviewing drafts of financial policies, budgets and annual accounts before they go to the Board for formal approval.
- To meet bi-annually with the external auditors and to receive their management letter.
- To authorise amendments to the budget in accordance with the overall budgetary authorities agreed by the Board.

The Certification Committee comprises six members – two members are appointed by the Board (of whom at least one must be a Trustee), two external experts from relevant fields of experience and two members of staff not involved with day-to-day certification work. The Committee meets six times a year to:

- Safeguard the impartiality of the Foundation's certification system and demonstrate its independence from any commercial or special interest,
- Review and check the work and decisions taken by the operational certification team,
- Seek information or advice from the Board, staff or from external advisors,
- Submit comments and recommendations to the Board relating to the policy framework in which they operate.

The Nominations Committee consists of the Chair of the Board, and at least two further trustees of the Board, who nominate themselves and are approved by the Board. Its key responsibility is to manage the appointment of trustees and members to the Board and its constituent committees respectively.

The Remuneration Committee consists of three Board members and a specialist adviser on personnel issues and meets at least once a year. It has overall responsibility to set remuneration, with associated terms and conditions of employment, for all staff of the organisation.

Minutes of all Committee meetings are reported to the subsequent full Board meeting so that all Trustees are informed of significant issues discussed at a subcommittee level.

## **Operational Management**

A scheme of delegation is in place which devolves day-to-day operational management of the Foundation to the Executive Director who is supported by a senior management team consisting of a Deputy Executive Director, Chief Operating Officer, Director of Strategy & Innovation, Director of Commercial Relations, Director of Policy & Communications, Director of Marketing, Director of Producer Partnerships, and Director of Certification.

Harriet Lamb, having spent more than ten years as Executive Director of the UK Fairtrade has been appointed new Chief Operating Officer of Fairtrade International. Harriet's appointment comes at an exciting time for Fairtrade International, with an increasing focus on smallholders and workers, and supply chain sustainability rising up government and business agendas. Newly emerging Fairtrade markets are opening across the world from South Korea to South Africa, and major commitments to sourcing Fairtrade products are being made by a growing number of businesses, both large and small. She will be taking up her new role on 1 October 2012. Mike Gidney, Deputy Executive Director will take on the interim role during the recruitment of the Foundation's new Executive Director.

During 2011, David Meller joined the Foundation as Director of Certification and Cheryl Sloan, Director of Marketing commenced Maternity leave. Cheryl's role was filled by John Tashiro on an interim basis from the start of 2011.

The Foundation has continued to make its Director of Strategy & Innovation, Ian Bretman, available to Fairtrade International in 2011 to support the implementation of the new international strategy. He was re-elected to the Board of FLO in 2009 for a second three-year term and re-appointed by the Board to serve as Executive Vice-Chair. In this role, he leads on strengthening governance and accountability of the system and on external relationships with other parts of the fair trade movement. Ian Bretman left the Foundation in 2012, at the end of his term on the FLO board. The Foundation would like to thank him for his leadership in the UK and Internationally during his time with Fairtrade.

## Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law.

Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its net incoming/outgoing resources for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue to operate.

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

So far as each Trustee is aware, there is no relevant audit information of which the company's auditors are unaware, and each Trustee has taken all the steps that he or she ought to have taken as a company director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

### Auditor

It is anticipated that a resolution to re-appoint Crowe Clark Whitehill LLP as auditor will be proposed at the forthcoming Annual General Meeting. Crowe Clark Whitehill LLP have expressed a willingness to continue as auditors.

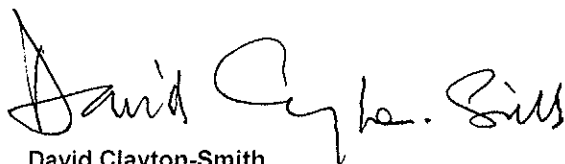
## Acknowledgements

Fairtrade is one of the most successful social change stories of recent times. This success is due to the commitment and dedication of all the stakeholders in the Foundation's work – the producers, the consumers, the licensees and retail partners, the grass roots campaigners and supporters and its staff and volunteers. We particularly thank our celebrities and other volunteers for the time they freely give to promote Fairtrade to the general public.

Volunteers provide invaluable support to the Foundation. They run local events to promote knowledge of the FAIRTRADE Mark in their communities. Fairtrade Fortnight events, and others throughout the year, depend heavily on the input of an unknown number of local volunteers. In addition, approximately 100 volunteers helped in the Fairtrade office at some time during the year and provided an estimated 2,067 days of time to the organisation. All this voluntary work is of great assistance to the Foundation, but, for accounting purposes, it is not valued within these financial statements.

The growth of Fairtrade reported in these accounts is testament to the hard work of all these stakeholders.

This report was approved by the Trustees on 21 August 2012 and signed on their behalf by



**David Clayton-Smith**  
Chair of the Board  
The Fairtrade Foundation  
21 August 2012

## Independent Auditor's Report to the Members of The Fairtrade Foundation

We have audited the financial statements of The Fairtrade Foundation for the year ended 31 December 2011 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes numbered 1 to 19.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purpose of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Report of the Trustees to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2011 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.

### Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements.

### Matters on which we are required to report by exception

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

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



Sally Kirby  
Senior Statutory Auditor  
For and on behalf of  
**Crowe Clark Whitehill LLP**  
Statutory Auditor

St Bride's House  
10 Salisbury Square  
London  
EC4Y 8EH





# The Fairtrade Foundation

## Statement of Financial Activities for the year to 31 December 2011 (including the Income and Expenditure Account)

|  |          | 2011                  |                     | 2010           |                |
|--|----------|-----------------------|---------------------|----------------|----------------|
|  | Notes    | Unrestricted<br>£ 000 | Restricted<br>£ 000 | Total<br>£ 000 | Total<br>£ 000 |
| <b>Incoming resources</b>                                      |          |                       |                     |                |                |
| <i>Incoming resources from generated funds</i>                 |          |                       |                     |                |                |
| Donations  | 2        | 94                    | 9                   | 103            | 250            |
| Grants   | 3        | 875                   | 1,406               | 2,281          | 2,200          |
| Investment income  |          | 4                     | -                   | 4              | 4              |
| <i>Incoming resources from charitable activities</i>           |          |                       |                     |                |                |
| Licence fees   |          | 8,250                 | -                   | 8,250          | 8,422          |
| Sale of awareness-raising items                                |          | 65                    | -                   | 65             | 57             |
| Other incoming resources from charitable activities            | 1.13 & 4 | 89                    | -                   | 89             | 12             |
| <i>Other incoming resources</i>                                |          |                       |                     |                |                |
| Foreign currency gains   | 1.13     | 70                    | -                   | 70             | 62             |
| <b>Total incoming resources</b>                                |          | <b>9,447</b>          | <b>1,415</b>        | <b>10,862</b>  | <b>11,007</b>  |
| <b>Resources expended</b>                                      |          |                       |                     |                |                |
|  | 1.13 & 5 |                       |                     |                |                |
| Costs of generating funds                                      |          | 229                   | -                   | 229            | 285            |
| Charitable Activities  |          |                       |                     |                |                |
| Certification and licensing                                    |          | 1,932                 | -                   | 1,932          | 1,867          |
| Market and product development                                 |          | 2,175                 | -                   | 2,175          | 2,119          |
| Producer and product support                                   |          | 1,767                 | 1,067               | 2,834          | 3,198          |
| Public education and awareness                                 |          | 3,175                 | 316                 | 3,491          | 3,602          |
| Total charitable activities                                    |          | 9,049                 | 1,383               | 10,432         | 10,786         |
| Governance costs   | 6        | 167                   | -                   | 167            | 389            |
| <b>Total resources expended</b>                                |          | <b>9,445</b>          | <b>1,383</b>        | <b>10,828</b>  | <b>11,460</b>  |
| <b>Net income / (expenditure), being net movement in funds</b> | 7        | <b>2</b>              | <b>32</b>           | <b>34</b>      | <b>(453)</b>   |
| Fund balances brought forward                                  |          | 1,969                 | 502                 | 2,471          | 2,924          |
| <b>Fund balances carried forward</b>                           | 13       | <b>1,971</b>          | <b>534</b>          | <b>2,505</b>   | <b>2,471</b>   |

There were no recognised gains or losses for 2011 or 2010 other than those included in the Statement of Financial Activities. All activities are continuing. The Notes on pages 18 to 30 form part of these Financial Statements.

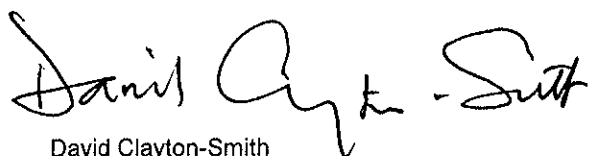
# The Fairtrade Foundation

## Balance Sheet as at 31 December 2011

Registered Company Number: 2733136

|  | Notes | 2011<br>£ 000 | 2010<br>£ 000 |
|--|-------|---------------|---------------|
| <b>Fixed assets</b>                            |       |               |               |
| Tangible assets                                | 9     | 558           | 756           |
| <b>Current assets</b>                          |       |               |               |
| Stock  |       | 52            | 54            |
| Debtors  | 10    | 3,901         | 4,131         |
| Cash at bank and in hand                       |       | 956           | 686           |
| <b>Total current assets</b>                    |       | <b>4,909</b>  | <b>4,871</b>  |
| <b>Liabilities</b>                             |       |               |               |
| Creditors: Amounts falling due within one year | 11    | (2,844)       | (3,002)       |
| <b>Net current assets</b>                      |       | <b>2,065</b>  | <b>1,869</b>  |
| <b>Total assets less current liabilities</b>   |       | <b>2,623</b>  | <b>2,625</b>  |
| Creditors: Amounts falling due after one year  | 11    | (27)          | (78)          |
| Provision for liabilities and charges          | 12    | (91)          | (76)          |
| <b>Net assets</b>                              | 14    | <b>2,505</b>  | <b>2,471</b>  |
| <b>Funds</b>                                   |       |               |               |
|  | 13    |               |               |
| <b>Unrestricted funds</b>                      |       |               |               |
| General funds                                  |       | 1,413         | 1,213         |
| Designated funds                               |       | 558           | 756           |
| <b>Total unrestricted funds</b>                |       | <b>1,971</b>  | <b>1,969</b>  |
| <b>Restricted funds</b>                        |       | <b>534</b>    | <b>502</b>    |
| <b>Total funds</b>                             | 14    | <b>2,505</b>  | <b>2,471</b>  |

The financial statements were approved and authorised for issue by the Board of Trustees on 21 August 2012 and were signed below on its behalf by



David Clayton-Smith  
Chair of the Board  
21 August 2012

The Notes on pages 18 to 30 form part of these Financial Statements.

**The Fairtrade Foundation**  
**Cashflow Statement**  
for the year to 31 December 2011

|  | Notes | 2011<br>£ 000 | 2010<br>£ 000 |
|--|-------|---------------|---------------|
| <b>Net cash inflow / (outflow) from operating activities</b> | 15    | 347           | (697)         |
| <b>Returns on investments and servicing of finance</b>       |       |               |               |
| Interest receivable  |       | 4             | 4             |
| Interest payable   |       | (31)          | (26)          |
|  |       | <u>(27)</u>   | <u>(22)</u>   |
| <b>Capital expenditure and financial investment</b>          |       |               |               |
| Purchase of tangible fixed assets                            |       | (32)          | (273)         |
| <b>Financing</b>   |       |               |               |
| (Decrease) / increase in short term borrowings               |       | (18)          | 502           |
| <b>Increase / (decrease) in cash in the year</b>             | 15    | <b>270</b>    | <b>(490)</b>  |

The Notes on pages 18 to 30 form part of these Financial Statements.

# The Fairtrade Foundation

## Notes to the Financial Statements

### for the year to 31 December 2011

#### 1 Accounting Policies

##### 1.1 Basis of preparation of accounts

The financial statements have been prepared in accordance with the Companies Act 2006, Accounting and Reporting by Charities: Statement of Recommended Practice (revised 2005), applicable United Kingdom accounting standards, and under the historic cost convention.

The financial statements are prepared on the going concern basis as the Trustees consider that the charity will continue in operational existence for at least 12 months from the date of approval of the financial statements. Further information is given in the Report on page 10.

##### 1.2 Company status

The charity is a company limited by guarantee. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member.

The charity is the UK member of Fairtrade Labelling Organisations International (FLO).

##### 1.3 Fund accounting

**Restricted funds** arise from grants and donations given to the Foundation for specific areas and activities of the Foundation's work in furthering its objectives. The aim and use of each material restricted fund is set out in Note 13.

**Unrestricted funds** include the General Funds of the Foundation and arise from surpluses of income over expenditure from funds granted or donated to the charity, which may be used at the discretion of the Trustees in accordance with the objectives of the charity.

**Designated funds** comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in Note 13.

##### 1.4 Incoming resources

All incoming resources are included in the Statement of Financial Activities (SOFA) when the charity is legally entitled to the income, is reasonably certain of receipt and the income can be measured with sufficient reliability.

The Foundation receives **licence fees** from companies marketing products carrying the Foundation's FAIRTRADE Mark which is the independent consumer guarantee of a better deal for producers in the developing world. The fees cover the costs of monitoring and audit to ensure compliance with Fairtrade standards and contribute to the costs of public education and awareness raising work. Fees are calculated as a percentage of the products' wholesale value and are largely invoiced quarterly in arrears. Monitoring and auditing of UK licensees is undertaken directly by the Foundation, while producer and trader certification is the responsibility of FLO-CERT, who receive a proportion of the Foundation's licence fee income to pay for this activity.

Income from the **sale of awareness-raising items** is included when received or when invoiced, whichever is the earlier. To help promote Fairtrade, the Foundation sells a range of merchandise to supporters. All display the FAIRTRADE Mark prominently and help promote the Fairtrade message at supporter events around the country. As their sale contributes directly to the promotion of the Fairtrade message it is judged that the activity qualifies as primary purpose trading. These promotional items are sold on to supporters to cover the costs of production, processing and a contribution to overheads. The activity is seen not so much as a device to raise funds but rather to raise profile and awareness whilst covering costs. For this reason the cost of these items is included in the SOFA as part of charitable expenditure to promote public awareness.

## Notes to the Financial Statements

### 1.5 Resources expended

All expenditure is included on an accruals basis. All costs have been attributed to one of the categories of resources expended in the SOFA and include a proportion of the support costs as detailed in Note 5.

**Costs of generating funds** include all costs incurred in raising funds from, and reporting back to, government, European Commission, charitable trusts and foundations and individual donors.

**Costs of charitable activities** include all costs incurred in seeking to achieve the charity's charitable purposes. **Certification and licensing** costs include the monitoring and audit of supply chains, both in the UK and internationally, of products licensed to carry the Mark. **Market and product development** covers establishing and maintaining licence agreements and relationships with companies producing and distributing Fairtrade products and major retailers. **Producer and product support** is the cost of developing new products and Fairtrade standards, including the establishment of supply chains and assisting new producers to enter Fairtrade, and support provided directly to producer groups and their regional networks. **Public education and awareness** are the activities funded to promote knowledge and awareness of the FAIRTRADE Mark and the need for Fairtrade in the interests of disadvantaged producers.

**Governance costs** include costs attributable to the governance of the charity and those relating to compliance with constitutional and statutory requirements. The costs associated with the additional support provided to Fairtrade International towards developing and improving governance across the Fairtrade movement is also included in this category of expenditure.

### 1.6 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Assets are included where the cost exceeds £1,000.

Depreciation is provided at 20% or 25% to write off the cost of fixed assets over their useful lives on a straight line basis starting in the year of acquisition.

### 1.7 Stock

Stock of merchandise is included in the accounts at the lower of cost and net realisable value.

### 1.8 Pensions

All staff employed by the Foundation are eligible for membership of the Growth Plan and the United Ethical Plan occupational pension schemes operated by the Pensions Trust. The schemes are contributory (the Foundation pays up to 10% of salary depending on the level of the staff member's contribution). Further details are provided in Note 19. Alternatively, the Foundation contributes up to 10% of salary (depending on the level of the staff member's contribution) to approved pension schemes nominated by eligible staff. Pension contributions are charged to the SOFA in the period to which they relate.

### 1.9 Operating Leases

Instalments on operating lease contracts are charged to the SOFA on a straight line basis over the lease life.

### 1.10 Value Added Tax

The charity is registered for VAT. In common with many other registered charities, the Fairtrade Foundation is unable to fully recover input VAT. During the accounting period, the total irrecoverable VAT suffered by the charity was £68,000 (2010: £63,000).

This irrecoverable VAT is included in the appropriate categories of expenditure within the SOFA.

### 1.11 Taxation

The Fairtrade Foundation is a registered charity and, as such, is exempt from taxation on its income to the extent it is applied to its charitable purposes.

### 1.12 Foreign currency

Assets and liabilities denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling at the date of the transaction. Exchange differences are taken to the Statement of Financial Activities: gains are recorded as other incoming resources and losses as a support cost.

**1.13 Reclassifications during the year**

Prior to 2011, cross border sales administration fees charged by the Foundation and to the Foundation were both included in resources expended. In these Financial Statements, fees charged by the Foundation are shown in other incoming resources from charitable activities whereas fees charged to the Foundation continue to be included in resources expended.

Similarly, prior to 2011, both foreign currency gains and losses were included in resources expended. In these Financial Statements, gains are recorded as other incoming resources and losses in resources expended.

To provide comparative figures for the previous year, 2010 incoming resources and resources expended have been re-classified on the same basis. Although total incoming resources and total resources expended have been altered, net expenditure before transfers has not changed, and therefore the figures have not been restated.

**2 Donations**

|                                      | Unrestricted | Restricted | 2011       | 2010       |
|--------------------------------------|--------------|------------|------------|------------|
|                                      | £ 000        | £ 000      | Total      | Total      |
|                                      | £ 000        | £ 000      | £ 000      | £ 000      |
| Strategic Review                     | -            | -          | -          | 170        |
| Triodos Bank Fairtrade Saver Account | 6            | -          | 6          | 7          |
| Other donations                      | 88           | 9          | 97         | 73         |
| <b>Total</b>                         | <b>94</b>    | <b>9</b>   | <b>103</b> | <b>250</b> |

In 2010 OC&C Strategy Consultants Ltd carried out consultancy work valued at £170,000 conducting an in depth review of progress on the five year strategy "Tipping the Balance".

The Triodos Bank income is generated through the promotion of their Fairtrade Saver Account to individual savers. Triodos Bank donates the equivalent of 0.25% of the average balance of funds held in the year and the individual savers also have the opportunity to donate a portion or all of the interest earned on the account to the Foundation.

## Notes to the Financial Statements

### 3 Grants

|   | Unrestricted<br>£ 000 | Restricted<br>£ 000 | 2011<br>Total<br>£ 000 | 2010<br>Total<br>£ 000 |
|---|-----------------------|---------------------|------------------------|------------------------|
| <i>Member Grants</i>                            |                       |                     |                        |                        |
| Shared Interest Foundation                      | 1                     | 5                   | 6                      | 5                      |
| United Reformed Church                          | -                     | 2                   | 2                      | 2                      |
| <b>Total Member Grants</b>                      | <b>1</b>              | <b>7</b>            | <b>8</b>               | <b>7</b>               |
| <i>Other Grants</i>                             |                       |                     |                        |                        |
| <i>Comic Relief</i>                             |                       |                     |                        |                        |
| Special Initiative                              | -                     | 998                 | 998                    | 1,219                  |
| Climate Change Advocacy                         | -                     | 80                  | 80                     | -                      |
| Sainsbury's Fair Development Fund               | -                     | -                   | -                      | 3                      |
| <i>Department for International Development</i> |                       |                     |                        |                        |
| Programme Partnership Agreement (PPA)           | 797                   | -                   | 797                    | 562                    |
| Trade Policy Unit                               | -                     | -                   | -                      | 22                     |
| European Commission                             | -                     | 180                 | 180                    | -                      |
| Impetus Trust                                   | 75                    | -                   | 75                     | 115                    |
| TRAID   | -                     | 57                  | 57                     | 47                     |
| The Waterloo Foundation                         | -                     | 25                  | 25                     | 25                     |
| The Co-operative Group (CWS) Limited            | -                     | 20                  | 20                     | 5                      |
| The Marr-Munning Charitable Trust               | -                     | 14                  | 14                     | 4                      |
| The Rowan Trust                                 | -                     | 5                   | 5                      | 4                      |
| Morel Trust                                     | -                     | 3                   | 3                      | -                      |
| Vodafone  | -                     | 3                   | 3                      | -                      |
| The CB & HH Taylor 1984 Trust                   | -                     | 2                   | 2                      | -                      |
| Unicorn Grocery                                 | -                     | 2                   | 2                      | -                      |
| The Henry & Rebecca Tinsley Foundation          | 1                     | 1                   | 2                      | 2                      |
| The Gibbs Charitable Trust                      | -                     | 2                   | 2                      | 1                      |
| The Allan & Nesta Ferguson Charitable Trust     | -                     | -                   | -                      | 113                    |
| KPMG LLP  | -                     | -                   | -                      | 46                     |
| Reading International Solidarity Centre (RISC)  | -                     | -                   | -                      | 6                      |
| The Bay Tree Charitable Trust                   | -                     | -                   | -                      | 4                      |
| The Sheepdrove Trust                            | -                     | -                   | -                      | 3                      |
| Burdens Charitable Foundation                   | -                     | -                   | -                      | 2                      |
| The TUUT Charitable Trust                       | -                     | -                   | -                      | 2                      |
| W F Southall Trust                              | -                     | -                   | -                      | 2                      |
| Other small grants                              | 1                     | 7                   | 8                      | 6                      |
| <b>Total Other Grants</b>                       | <b>874</b>            | <b>1,399</b>        | <b>2,273</b>           | <b>2,193</b>           |
| <b>Total Grants</b>                             | <b>875</b>            | <b>1,406</b>        | <b>2,281</b>           | <b>2,200</b>           |

### 4 Other incoming resources from charitable activities

|  | Unrestricted<br>£ 000 | Restricted<br>£ 000 | 2011<br>Total<br>£ 000 | 2010<br>Total<br>£ 000 |
|--|-----------------------|---------------------|------------------------|------------------------|
| Cross border sales administration fees | 50                    | -                   | 50                     | 12                     |
| Consultancy fees                       | 39                    | -                   | 39                     | -                      |
| <b>Total</b>                           | <b>89</b>             | <b>-</b>            | <b>89</b>              | <b>12</b>              |

Cross border sales administration fees: the Foundation invoices UK licensees for license fees due on UK and non-UK sales. Labelling Initiatives outside of the UK invoice the Foundation for the license fee on non-UK sales less an administration fee.

## 5 Resources Expended

|                                      | Direct Staff Costs<br>£ 000 | Other Direct Costs<br>£ 000 | Support Costs<br>£ 000 | 2011 Total<br>£ 000 | 2010 Total<br>£ 000 |
|--------------------------------------|-----------------------------|-----------------------------|------------------------|---------------------|---------------------|
| Costs of generating funds            | 136                         | 14                          | 79                     | 229                 | 285                 |
| Charitable Activities                |                             |                             |                        |                     |                     |
| Certification and licensing          | 668                         | 878                         | 386                    | 1,932               | 1,867               |
| Market and product development       | 1,083                       | 487                         | 605                    | 2,175               | 2,119               |
| Producer and product support         | 487                         | 2,077                       | 270                    | 2,834               | 3,198               |
| Public education and awareness       | 1,233                       | 1,564                       | 694                    | 3,491               | 3,602               |
| Total Charitable Activities          | 3,471                       | 5,006                       | 1,955                  | 10,432              | 10,786              |
| Governance costs                     | 54                          | 55                          | 58                     | 167                 | 389                 |
| <b>Total Resources Expended 2011</b> | <b>3,661</b>                | <b>5,075</b>                | <b>2,092</b>           | <b>10,828</b>       | <b>11,460</b>       |
| Total Resources Expended 2010        | 3,469                       | 6,004                       | 1,987                  | 11,460              |                     |

Other direct costs include payments made to Fairtrade International. These are comprised of membership contributions of £1.427 million (2010: £1.358 million), certification fees of £245,000 (2010: £291,000, paid directly to FLO-CERT GmbH), and Producer Certification Fund contributions of £206,000 (2010: nil). Membership contributions support Fairtrade International's functions in setting the international framework and co-ordination of Fairtrade including the setting and development of Fairtrade standards, supporting producers and traders to match supply and demand, and supporting smallholders and workers participating in Fairtrade. In 2011, certification fees were paid to Fairtrade International for distribution to FLO-CERT GmbH, an independent certification company offering Fairtrade certification services. The Producer Certification Fund was created by Fairtrade International in 2011 to help small farmers' organisations pay for their Fairtrade certification.

Support costs of £2.092 million (2010: £1.987 million) have been allocated across activities. Facilities costs have been allocated based on the number of staff engaged in each activity and all other costs have been apportioned based on the staffing costs of each activity in order to reflect the demands each activity makes on central support resources.

|                                 | Management<br>£ 000 | Human Resources<br>£ 000 | Finance<br>£ 000 | Information Technology<br>£ 000 | Administration<br>£ 000 | Facilities<br>£ 000 | 2011 Total<br>£ 000 | 2010 Total<br>£ 000 |
|---------------------------------|---------------------|--------------------------|------------------|---------------------------------|-------------------------|---------------------|---------------------|---------------------|
| Costs of generating funds       | 3                   | 14                       | 12               | 14                              | 9                       | 27                  | 79                  | 84                  |
| Charitable Activities           |                     |                          |                  |                                 |                         |                     |                     |                     |
| Certification and licensing     | 17                  | 64                       | 60               | 71                              | 44                      | 130                 | 386                 | 361                 |
| Market and product development  | 28                  | 104                      | 97               | 115                             | 71                      | 190                 | 605                 | 549                 |
| Producer and product support    | 13                  | 49                       | 46               | 53                              | 34                      | 75                  | 270                 | 331                 |
| Public education and awareness  | 32                  | 119                      | 110              | 131                             | 81                      | 221                 | 694                 | 608                 |
| Total Charitable Activities     | 90                  | 336                      | 313              | 370                             | 230                     | 616                 | 1,955               | 1,849               |
| Governance costs                | 3                   | 11                       | 11               | 13                              | 8                       | 12                  | 58                  | 54                  |
| <b>Total Support Costs 2011</b> | <b>96</b>           | <b>361</b>               | <b>336</b>       | <b>397</b>                      | <b>247</b>              | <b>655</b>          | <b>2,092</b>        | <b>1,987</b>        |
| Total Support Costs 2010        | 136                 | 394                      | 317              | 293                             | 202                     | 645                 | 1,987               |                     |



## Notes to the Financial Statements

### 6 Governance Costs

Activities to enable the Foundation to function as a registered charity and a company registered in England and Wales.

|                                    | 2011       | 2010       |
|------------------------------------|------------|------------|
|                                    | £ 000      | £ 000      |
| <b>Direct Costs</b>                |            |            |
| Strategic Review                   | -          | 170        |
| Trustee expenses                   | 21         | 17         |
| Fees payable to Charity's auditors | 17         | 24         |
| Other governance costs             | 17         | 15         |
| Staff costs                        | 54         | 109        |
| <b>Total direct costs</b>          | <b>109</b> | <b>335</b> |
| Allocation of support costs        | 58         | 54         |
| <b>Total governance costs</b>      | <b>167</b> | <b>389</b> |

No remuneration was paid to Trustees in the year (2010: Nil). Trustee expenses relate to travel expenses reimbursed for attendance at Board and sub committee meetings. £21,000 (2010: £17,000) was reimbursed to ten Trustees (2010: ten Trustees). The Foundation meets the airfare, hotel and subsistence costs of the producer representatives while they are in the UK attending Board meetings.

As 2010 was the midpoint of the five year strategy "Tipping the Balance", an in depth review of progress was conducted. Strategic Review costs in 2010 were a gift in kind of consultancy support provided by OC&C Strategy Consultants Ltd.

### 7 Net Income / (Expenditure)

Net income / (expenditure) is stated after charging:

|  | 2011  | 2010  |
|--|-------|-------|
|  | £ 000 | £ 000 |
| Depreciation of fixed assets   | 230   | 237   |
| Fees payable to Charity's auditors for the audit of the Charity's annual accounts for the current year | 17    | 17    |
| Fees payable to Charity's auditors for the audit of the Charity's annual accounts for the prior year   | -     | 7     |
| Fees payable to Charity's auditors for other services to the Charity                                   | -     | 1     |
| Operating lease rentals and service charge: land & buildings   | 617   | 601   |

**8 Staff Costs**

|                                     | 2011         | 2010         |
|-------------------------------------|--------------|--------------|
|                                     | £ 000        | £ 000        |
| Wages and salaries                  | 3,656        | 3,473        |
| Employer's National Insurance costs | 400          | 366          |
| Employer's Pension contributions    | 232          | 191          |
| Agency staff                        | 112          | 200          |
| <b>Staff costs</b>                  | <b>4,400</b> | <b>4,230</b> |
| <b>Staff recruitment costs</b>      | <b>42</b>    | <b>86</b>    |

|  | 2011   | 2010   |
|--|--------|--------|
| Number of employees whose emoluments fell within the band:     |        |        |
| £60,000 - £69,999  | 1      | 2      |
| £70,000 - £79,999  | 1      | -      |
| Employer's Pension contributions (defined contribution scheme) | £6,880 | £6,695 |

The average number of full time equivalent staff employed by the Foundation during the year was as follows:

|   | 2011       | 2010       |
|---|------------|------------|
| Executive Directorate                               | 5          | 4          |
| Commercial Relations & Product Development          | 21         | 21         |
| Certification                                       | 10         | 8          |
| Communications & Policy                             | 19         | 16         |
| Marketing   | 24         | 21         |
| Producer Partnerships & Product Strategy Management | 11         | 14         |
| Fundraising   | 3          | 4          |
| Support and administration                          | 16         | 14         |
| <b>Total</b>  | <b>109</b> | <b>102</b> |

**9 Tangible Fixed Assets**

|   | Office<br>Equipment<br>£ 000 | Fixtures and<br>Fittings<br>£ 000 | Software<br>£ 000 | TOTAL<br>£ 000 |
|---|------------------------------|-----------------------------------|-------------------|----------------|
| <b>Cost at 1 January 2011</b>             | <b>205</b>                   | <b>235</b>                        | <b>861</b>        | <b>1,301</b>   |
| Additions                                 | 31                           | -                                 | 1                 | 32             |
| Disposals                                 | (13)                         | -                                 | -                 | (13)           |
| <b>At 31 December 2011</b>                | <b>223</b>                   | <b>235</b>                        | <b>862</b>        | <b>1,320</b>   |
| <b>Depreciation at 1 January 2011</b>     | <b>170</b>                   | <b>142</b>                        | <b>233</b>        | <b>545</b>     |
| Charge for period                         | 21                           | 46                                | 163               | 230            |
| Disposals                                 | (13)                         | -                                 | -                 | (13)           |
| <b>At 31 December 2011</b>                | <b>178</b>                   | <b>188</b>                        | <b>396</b>        | <b>762</b>     |
| <b>Net book value at 1 January 2011</b>   | <b>35</b>                    | <b>93</b>                         | <b>628</b>        | <b>756</b>     |
| <b>Net book value at 31 December 2011</b> | <b>45</b>                    | <b>47</b>                         | <b>466</b>        | <b>558</b>     |

## Notes to the Financial Statements

### 10 Debtors

|  | 2011         | 2010         |
|--|--------------|--------------|
|  | £ 000        | £ 000        |
| Licence fees *   | 3,268        | 3,490        |
| Amounts due from Fairtrade International and other labelling initiatives | 179          | 224          |
| Other debtors  | 118          | 71           |
| Prepayments and accrued income   | 336          | 346          |
| <b>Total debtors due within one year</b>                                 | <b>3,901</b> | <b>4,131</b> |

\* Licence fees are invoiced in arrears after the licensee's quarterly returns have been received and verified. Fees invoiced in 2011 and outstanding at the year-end totalled £1.183 million (2010: £1.080 million) with the remaining £2.085 million (2010: £2.410 million) of the debtor balance, representing a provision for fees relating to 2011 sales to be invoiced during 2012.

### 11 Creditors

| <b>Creditors: Amounts falling due within one year</b> | 2011         | 2010         |
|---|--------------|--------------|
|   | £ 000        | £ 000        |
| Trade creditors                                       | 567          | 1,098        |
| Amounts due to FLO and other labelling initiatives    | 1,168        | 793          |
| Shared Interest Loan and interest payable*            | 485          | 502          |
| Social security and other taxes                       | 452          | 392          |
| Other creditors                                       | 46           | 45           |
| Accruals  | 126          | 172          |
| <b>Total</b>  | <b>2,844</b> | <b>3,002</b> |

| <b>Creditors: Amounts falling due after one year</b> | 2011      | 2010      |
|--|-----------|-----------|
|  | £ 000     | £ 000     |
| Accruals   | 27        | 78        |
| <b>Total</b>   | <b>27</b> | <b>78</b> |

\* The Foundation opened a credit facility with Shared Interest Society Ltd in 2010. The facility allows the Foundation to borrow up to £500,000 for 5 months and bears interest at the "prime rate", currently 7%. The facility was renewed in March 2012 and is in place until 31 March 2013. Interest payable during the year was £31,000 (2010: £19,000). At the year end, the balance outstanding on the credit facility was £482,000 (2010: £499,000) plus £3,000 (2010: £3,000) of interest payable for December 2011.

### 12 Provision for Liabilities and Charges

|                        | Provision<br>b/fwd<br>£ 000 | Charged<br>to SOFA<br>£ 000 | Provision<br>released<br>£ 000 | Provision<br>c/fwd<br>£ 000 |
|------------------------|-----------------------------|-----------------------------|--------------------------------|-----------------------------|
| Dilapidations          | 76                          | 15                          | -                              | 91                          |
| <b>Total Provision</b> | <b>76</b>                   | <b>15</b>                   | <b>-</b>                       | <b>91</b>                   |

**13 Fund Movements**

|  | Funds at<br>01 Jan 11<br>£ 000 | Income<br>£ 000 | Expenditure<br>£ 000 | Transfers<br>Between<br>Funds<br>£ 000 | Funds at<br>31 Dec 11<br>£ 000 |
|--|--------------------------------|-----------------|----------------------|--|--------------------------------|
| <b>Restricted Funds</b>                  |                                |                 |                      |  |                                |
| <b>Producer and product support</b>      |                                |                 |                      |  |                                |
| Fairtrade for Development in Africa      | 319                            | 919             | (912)                | -                                      | 326                            |
| Enlarging the Fairtrade Product Range    | 7                              | 49              | (56)                 | -                                      | -                              |
| KPMG's BRIGHT Programme                  | 45                             | -               | (45)                 | -                                      | -                              |
| Fairtrade model for textiles pilot       | 47                             | 17              | (46)                 | -                                      | 18                             |
| Cotton supply chains project             | -                              | 40              | -                    | -                                      | 40                             |
| Producer Liaison and Support             | -                              | 8               | (8)                  | -                                      | -                              |
| <b>Total</b>                             | <b>418</b>                     | <b>1,033</b>    | <b>(1,067)</b>       | <b>-</b>                               | <b>384</b>                     |
| <b>Public education and awareness</b>    |                                |                 |                      |  |                                |
| Fairtrade for Development in Africa      | 81                             | 160             | (140)                | -                                      | 101                            |
| Cotton procurement                       | -                              | 180             | (142)                | -                                      | 38                             |
| Fairtrade Campaigns                      | -                              | 32              | (31)                 | -                                      | 1                              |
| Smallholders best practice research      | -                              | 10              | -                    | -                                      | 10                             |
| 'Great Cotton Stitch-Up' report & launch | 3                              | -               | (3)                  | -                                      | -                              |
| <b>Total</b>                             | <b>84</b>                      | <b>382</b>      | <b>(316)</b>         | <b>-</b>                               | <b>150</b>                     |
| <b>TOTAL RESTRICTED FUNDS</b>            | <b>502</b>                     | <b>1,415</b>    | <b>(1,383)</b>       | <b>-</b>                               | <b>534</b>                     |
| <b>Unrestricted Funds</b>                |                                |                 |                      |  |                                |
| <b>Designated Funds</b>                  |                                |                 |                      |  |                                |
| Fixed Assets                             | 756                            | -               | (230)                | 32                                     | 558                            |
| <b>Total</b>                             | <b>756</b>                     | <b>-</b>        | <b>(230)</b>         | <b>32</b>                              | <b>558</b>                     |
| <b>General Funds</b>                     | <b>1,213</b>                   | <b>9,447</b>    | <b>(9,215)</b>       | <b>(32)</b>                            | <b>1,413</b>                   |
| <b>TOTAL UNRESTRICTED FUNDS</b>          | <b>1,969</b>                   | <b>9,447</b>    | <b>(9,445)</b>       | <b>-</b>                               | <b>1,971</b>                   |
| <b>TOTAL FUNDS</b>                       | <b>2,471</b>                   | <b>10,862</b>   | <b>(10,828)</b>      | <b>-</b>                               | <b>2,505</b>                   |

**Description of Funds****Restricted Funds****Fairtrade for Development in Africa**

The Fairtrade Foundation received two grants from Comic Relief for programmes in Africa. The Special Initiative grant is supporting capacity building of Fairtrade Africa (the network of producers in Africa) and of Fairtrade Label South Africa, the development of Fairtrade standards relevant to Africa and support on the ground for producers. In the UK, the grant supports the development of innovative new media channels linking Fairtrade producer communities with the UK public, supported by match-funding from the Allan and Nesta Ferguson Charitable Trust. A supplementary grant was also received from Comic Relief in 2011 to ensure that the interests of Fairtrade and vulnerable producers in general are represented in national and international policy forums related to climate change.

**Enlarging the Fairtrade Product Range**

The Fairtrade Foundation received support from the Waterloo Foundation, the Marr-Munning Charitable Trust and Gibbs Charitable Trust towards the development of Fairtrade and Fairmined standards for gold. Additional donations were received for the Innovation Fund which attracts donations from individuals and community groups and has the aim of 'bringing Fairtrade to more people through developing new Fairtrade products and working with farmers to access the benefits of Fairtrade'.

## Notes to the Financial Statements

### KPMG's BRIGHT Programme for Fairtrade Africa

Through KPMG's BRIGHT Programme, 18 KPMG staff worked for two weeks each in four African countries to share knowledge and skills on the ground with Fairtrade producers and Fairtrade organizations, strengthening processes around business systems, financial management and risk management; for example, KPMG employees worked with Fairtrade Label South Africa (FLSA) to strengthen processes for the administration of their license fee income.

### Fairtrade model for textiles pilot

This pilot is one of four 'options' being explored as part of the Fairtrade International textiles strategy, looking at the opportunities and implications for developing a Fairtrade standard for textile manufacture in Fairtrade cotton supply chains. The 'option' being explored in this project is for a Fairtrade model for textiles based around the empowerment and development of workers. TRAIID (Textile Recycling Aid for International Development) has fully-funded the pilot, which is running until Spring 2012.

### Cotton supply chains project

Funded by TRAIID (Textile Recycling for Aid and International Development), this pilot project is working with two small-scale garment factories in India. The goal is to create sustainable supply chains between these factories and 100% Fairtrade Organisations, who would like to source their products from them, in order to scale up the impact of Fairtrade in cotton and textiles. Our immediate objective for achieving this goal is to support these factories to meet Fairtrade compliance criteria so that they can begin trading under Fairtrade terms. This will involve activities supporting them to improve their working conditions and wage levels through training in labour rights and efficient business practises, improving their reputation in supply chains and their access to markets.

### Producer Liaison and Support

Work to support the development of a regional market for Fairtrade products in the Windward Islands and support recovery post-Hurricane Tomas was funded by grants from CB & HH 1984 Taylor Trust, Morel Trust, The Alfred Haines Charitable Trust and Unicorn Grocery..

### Cotton Procurement

2011 saw the start of a new three year project funded by the European Commission. This intervention is a collaborative project involving partners in France, Ireland, the UK and Belgium; each operating in their national spheres to encourage public sector bodies to procure Fairtrade Cotton. Activities enacted by Fairtrade Foundation in this first year have focused on building industry ties and developing written and film materials which raise awareness of Fairtrade Cotton products for use in the UK and also by our project partners across Europe.

### Fairtrade Campaigns

A variety of campaigns support the growing grass roots movement of individuals, local organisations and schools around the UK striving to achieve Fairtrade status by reaching targets on awareness and availability of Fairtrade products. This year the Fairtrade Towns campaign reached 530 and the Schools campaign reached 698 awarded bodies, supported by small grants from charitable trusts and foundations. As in previous years, Fairtrade campaigns were supported by grant funding from charitable trusts and member organisations including Commitment for Life/United Reformed Church, Tinsley Trust, Shared Interest Foundation, The Rowan Trust, and The Co-operative Group.

### Smallholders best practice research

A grant from the Co-operative Group (CWS) Limited helped fund research done in collaboration with a number of partner organisations into the motivations, obstacles and risks faced by UK commercial partners of sourcing from small holder farmers in developing countries. This forms part of a project to learn lessons for better sourcing practice.

### 'Great Cotton Stitch Up' report and launch

In November 2010 we launched 'The Great Cotton Stitch-Up', a policy report highlighting the \$47 billion wall of cotton subsidies paid by the US and EU and the impact this is having on the livelihoods of West African cotton farmers. Some of the funding received in 2010 was spent in 2011 on follow-up activities.

### Designated Funds

#### Fixed asset fund

This fund represents the depreciated cost of fixed assets used by the Foundation in its work.

**14 Analysis of Fund Balances held on 31 December 2011**

|                                     | General<br>£ 000 | Designated<br>£ 000 | Restricted<br>£ 000 | Total<br>£ 000 |
|-------------------------------------|------------------|---------------------|---------------------|----------------|
| Tangible fixed assets               | -                | 558                 | -                   | 558            |
| Current assets                      | 4,447            | -                   | 462                 | 4,909          |
| Current liabilities                 | (2,916)          | -                   | 72                  | (2,844)        |
| Long term liabilities               | (27)             | -                   | -                   | (27)           |
| Provisions                          | (91)             | -                   | -                   | (91)           |
| <b>Fund balances at 31 December</b> | <b>1,413</b>     | <b>558</b>          | <b>534</b>          | <b>2,505</b>   |

**15 Notes to the Cashflow Statement****Reconciliation of net income / (expenditure) to operating cash flow**

|  | 2011<br>£ 000 | 2010<br>£ 000 |
|--|---------------|---------------|
| Net income / (expenditure)                                   | 34            | (453)         |
| Interest receivable  | (4)           | (4)           |
| Interest payable   | 31            | 26            |
| Depreciation charge  | 230           | 237           |
| Decrease / (increase) in stock                               | 3             | (16)          |
| Decrease / (increase) in debtors                             | 229           | (417)         |
| (Decrease) in creditors<br>excluding short term borrowings   | (191)         | (86)          |
| Increase in provisions                                       | 15            | 16            |
| <b>Net cash inflow / (outflow) from operating activities</b> | <b>347</b>    | <b>(697)</b>  |

**Analysis of net funds**

|                          | Balance at<br>01 Jan 2011<br>£ | Cashflow<br>movement<br>£ | Balance at<br>31 Dec 2011<br>£ |
|--------------------------|--------------------------------|---------------------------|--------------------------------|
| Cash at bank and in hand | 686                            | 270                       | 956                            |
| <b>Net funds</b>         | <b>686</b>                     | <b>270</b>                | <b>956</b>                     |

**16 Financial Commitments under Operating Leases**

At 31 December the charity had annual commitments under operating leases as follows:

|  | 2011<br>£ 000 | 2010<br>£ 000 |
|--|---------------|---------------|
| <b>Land &amp; buildings – leases expiring:</b> |               |               |
| Within 1 year                                  | -             | -             |
| In years 2 to 5                                | 511           | 511           |
| <b>Total</b>                                   | <b>511</b>    | <b>511</b>    |

**17 Share Capital**

The Fairtrade Foundation is a company limited by guarantee and with no share capital. Each of the sixteen members is liable to contribute a sum not exceeding £1 in the event of the company being wound up.

### 18 Related Parties

The Fairtrade Foundation is one of the 21 National Labelling Initiatives that are members of Fairtrade International (formerly Fairtrade Labelling Organisation International eV), the umbrella organisation based in Germany that is responsible for the international standards that underpin Fairtrade. FLO-CERT GmbH is the independent body for certifying adherence to the standards by producers. As a National Labelling Initiative the Fairtrade Foundation pays membership fees to Fairtrade International and FLO-CERT and also sources external funds for Fairtrade International's work from third party donors. Details of the fees paid to Fairtrade International and FLO-CERT are given in note 5. Additional costs of £5,000 from Fairtrade International (2010: £85,000) and £87,000 from FLO-CERT (2010: £168,000) were incurred for additional services provided to or work done on behalf of the Foundation.

As explained in the Structure, Governance and Management section of the Report of the Trustees, up to eight Trustees are appointed by the members of the Fairtrade Foundation. During the year, five Trustees were employees of member organisations: David McCullough (Oxfam), Melissa Duncan (Traidcraft Exchange), Patricia Alexander (Shared Interest Society Ltd), Deborah Doane (World Development Movement) and Paul Brannen (Christian Aid).

The Shared Interest Society Ltd (the parent company of the Fairtrade Foundation's member - Shared Interest Foundation) provides the Foundation with access to a credit facility, details of which are given in note 11, and provided consultancy services totalling £1,000 in 2011 (2010: nil). The Shared Interest Foundation provided grant support to the Foundation in the course of the year, details of which are provided in note 3.

The Foundation purchased £5,000 (2010: £3,000) of food supplies directly from the licensee Traidcraft PLC, the parent company of Traidcraft Exchange, for use in the office and to support a Foundation staff initiative to operate a regular Fairtrade products stall within the Foundation's office. The Foundation also incurred costs of £1,000 (2010: nil) with Oxfam GB for printed leaflets. Traidcraft Exchange is a charity of Traidcraft plc, a licensee company which pays licence fees to the Fairtrade Foundation on the sales of Fairtrade marked products.

Merling Preza, from the CLAC (Latin American and Caribbean Network of Small Fair Trade Producers), Tomy Mathew from Fair Trade Alliance Kerala, Alex Yeboah-Afari (African Fairtrade Network) and Arun Ambatipudi (Network of Asian Producers) are representatives of regional Fairtrade producer groups that were on the Board of the Foundation. Merling Preza is also the General Manager of Prodecoop, a producer group that, as part of the Fairtrade system, is subject to certification inspections from, and to pay associated fees to, FLO-CERT.

The Fairtrade Foundation used Andrum Ltd for consultancy services in 2011. David Clayton-Smith, the Chair of the Board of Trustees, is a partner in this company. Costs of £40,000 for interim HR support and £10,000 for training workshop facilitation were incurred in 2011 (2010: less than £1,000 for recruitment consultancy) with Andrum Ltd.

The Foundation used the services of OC&C for pro-bono strategic consultancy in 2011. David Krucik, an independent non-trustee member of the Executive sub-committee, is the Managing Partner of OC&C in the UK.

### 19 The Pensions Trust Pension Scheme (Growth Plan Series 3)

All staff employed by The Fairtrade Foundation are eligible for membership of pensions schemes operated by The Pensions Trust. The Foundation currently has 33 active members and 12 deferred members in the Growth Plan Series 3 Scheme. This is a multi-employer plan and a money purchase arrangement. The Pensions Act 2011 has retrospectively amended the definition of a money purchase scheme and as a result of the change in legislation, Growth Plan Series 3 is now categorised as a "defined benefit" arrangement rather than a "defined contribution" arrangement as previously.

The Foundation is one of several contributors to the scheme and is unable to identify its share of the scheme's assets and liabilities on a consistent and reasonable basis, as required by FRS 17 Retirement Benefits, so the scheme continues to be accounted for in these financial statements as if it were a defined contribution scheme. The accounting charge for the year therefore represents only The Fairtrade Foundation's employer contributions payable.

The latest formal valuation of the Growth Plan Series 3 was performed as at 30 September 2011 and this showed the Plan to have a solvency / buy-out funding level of 77.3% (deficit of £234.3 million overall). Until the recent change in the definition of "defined contribution / money purchase", employers that had only ever participated in Series 3 had no debt liability. However, now that Series 3 liabilities must be included in the calculation of an employer's debt on withdrawal, all participating employers have a debt liability. The Fairtrade Foundation receives quarterly updates from the Plan's actuary on the funding level and its potential employer debt if it were to withdraw from the scheme. The estimated amount of employer debt on withdrawal liability for the Foundation as at 30 September 2011 has been calculated at £150,843. As at 31 March 2012 it was estimated to be £164,419. This debt liability will not crystallise as long as the Foundation continues to

employ an active member of the Scheme. This debt is not included in the Foundation's financial statements as the possibility of this debt crystallising is deemed to be remote.

The Fairtrade Foundation paid contributions of up to 10% of active members' salaries during the accounting period (£167,000 in 2011; £127,000 in 2010). The Plan Trustee has indicated that additional contributions from participating employers are required from April 2013. The Fairtrade Foundation's contribution will be £1,000 per annum.



## Reference And Administrative Information

# The Fairtrade Foundation

## Reference and Administrative Information

### Legal status

A company without share capital limited by guarantee registered number 2733136

### Registered address

3<sup>rd</sup> Floor, IBEX House  
42 – 47 Minories  
London EC3N 1DY

### Registered charity number

1043886

### Directors/Trustees

|   |                                   |
|---|-----------------------------------|
| Alex Yeboah-Afari <sup>4</sup>                  |                                   |
| Patricia Alexander ACA (Treasurer) <sup>1</sup> |                                   |
| Arun Ambatipudi                                 | Appointed September 2011          |
| Paul Brannen                                    | Appointed December 2011           |
| David Clayton-Smith (Chair) <sup>1 3 4</sup>    |                                   |
| Deborah Doane                                   |                                   |
| Melissa Duncan <sup>1 2</sup> (Vice-Chair)      | Resigned and re-appointed in 2011 |
| Diana Holland                                   | Appointed September 2011          |
| Joe Human                                       | Appointed September 2011          |
| Tomy Mathews                                    | Term ended December 2011          |
| Simon Maxwell <sup>3</sup>                      |                                   |
| Merling Preza                                   |                                   |
| Bert Schouwenburg                               | Term ended September 2011         |
| Joy Thomson <sup>2</sup>                        |                                   |
| David McCullough <sup>4</sup>                   | Resigned December 2011            |

### Independent Committee Members

|                                   |                          |
|-----------------------------------|--------------------------|
| Richard Gough <sup>1</sup>        |                          |
| Maria Standingford <sup>1 3</sup> |                          |
| David Krucik <sup>1</sup>         |                          |
| Ann Davison <sup>2</sup>          | Term ended in April 2011 |
| Nabilai Suma <sup>2</sup>         | Appointed July 2011      |
| Rob Hardy <sup>2</sup>            |                          |

<sup>1</sup> Member of Executive Committee

<sup>2</sup> Member of Certification Committee

<sup>3</sup> Member of Remuneration Committee

<sup>4</sup> Member of Nominations Committee

### Senior Management

|                  |   |
|------------------|---|
| Harriet Lamb CBE | (Executive Director) – leaving September 2012                       |
| Mike Gidney      | (Deputy Executive Director)   |
| Tim Gutteridge   | (Chief Operating Officer)   |
| Ian Bretman      | (Director of Strategy & Innovation)                                 |
| Ashish Deo       | (Director of Commercial Relations)                                  |
| Barbara Crowther | (Director of Communications & Policy)                               |
| John Tashiro     | (Interim Director of Marketing) January 2011 – March 2012           |
| Cheryl Sloan     | (Director of Marketing) Returned from maternity leave February 2012 |
| Chris Davis      | (Director of Producer Partnerships)                                 |
| David Meller     | (Director of Certification) Appointed February 2011                 |
| Martyn Dicker    | (Director of HR) Appointed June 2011                                |

**Company Secretary**

Tim Gutteridge

**Member Organisations**

Banana Link  
CAFOD #  
Christian Aid #  
Methodist Relief and Development Fund  
National Federation of Women's Institutes #  
Nicaragua Solidarity Campaign  
Oxfam #  
People & Planet  
Scottish Catholic International Aid Fund (SCIAF)  
Shared Interest Foundation  
Soroptimist International of Great Britain and Ireland  
Tearfund  
Traidcraft Exchange #  
Commitment for Life/United Reformed Church  
World Development Movement #  
National Campaigner Committee

# indicates founder member status

**Bankers**

CAF Bank Ltd  
Kings Hill  
West Malling  
Kent  
ME19 4TA

The Co-operative Bank  
King's Valley  
Yew Street  
Stockport  
Cheshire  
SK4 2JU

HSBC  
31 Holborn Circus  
London  
EC1N 2HR

Triodos Bank NV  
Brunel House  
11 The Promenade  
Bristol  
BS8 3NN

**Solicitor**

Bates, Wells and Braithwaite  
2-6 Cannon Street  
London  
EC4M 6YH

**Auditor**

Crowe Clark Whitehill LLP  
St. Bride's House  
10 Salisbury Square  
London  
EC4Y 8EH