Harrogate Fairtrade Shop

(A company limited by guarantee)

Report and Financial Statements

For the Year Ending 31 December 2025

Charity number 1164801

Company number: 07097275

Report of the trustees for the year ending 31 December 2025

The trustees present their annual report together with the financial statements of the charity for the year to 31 December 2025 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes. The financial statements comply with the Charities Act 2011, the Companies Act 2006, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard 102 (effective 1 January 2015).

Structure, governance and management

The Charity is constituted as a company limited by guarantee and its governing document is its Memorandum and Articles of Association.

The charity is managed by the trustees who are also its directors for the purposes of company law. Trustees are nominated by members and elected at the annual general meeting of the company

Objects

The charity's objects, as stated in its Memorandum of Association are:

> a) The prevention or relief of poverty and the relief of suffering and distress in any part of the world.
>
> b) The furtherance of exclusively charitable purposes of such UK registered charities which work directly in relieving or preventing poverty, relieving financial need, hardship, suffering or distress in any part of the world as the trustees see fit.

The principle of the fair trade movement is that producers and manufacturers in developing countries receive a fair price for their products and the charity aims to achieve its first objective by selling goods produced and sourced in accordance with the principles of the World Fair Trade Organisation. That this generates the public benefit of alleviating or preventing the poverty of the producers was agreed by the Charity Commission in correspondence culminating in the registration of the Charity on 10 December 2015.

While making a profit is not the primary purpose of the Charity, it is necessary that its trading is profitable in order to ensure its long-term survival. The second objective allows any excess profits not required for the maintenance of the Charity's activities to be donated to other charities working in the field of the relief of poverty.

Activities

The principal activity of the company is the sale of fair trade goods through its shop in a porch of St Peter's Church in the centre of Harrogate.

The shop is staffed by volunteers, some of whom are members and some of whom are trustees. All volunteers are invited and encouraged to become voting members at no cost. The volunteers are organised by our shop manager who is supported by an assistant, both of whom are paid and work part-time.

Fair trade goods are also sold by members and others through stalls in churches, schools and at local events. In addition to the income generated, such events also raise awareness of fair trade. Alongside this, one of our trustees and a small team of volunteers have undertaken outreach work with churches, schools and community groups, with support from our Outreach Reserve fund.

Since 2020 our goods have been sold via an online platform. The website currently generates only a small amount of income although there is evidence of growth and, while it has yet to cover costs, the online shop functions effectively as a means of displaying our goods, sharing producer stories and promoting the principles of fair trade to a wider audience.

The only source of income of the Charity is the sale of fair trade goods as described above. Donations are not sought and any donations made by customers in the small collecting box in the shop, and occasionally by other persons, are passed directly to Transform Trade (formerly Traidcraft Exchange), a charity registered in England and Wales. An exception to this are donations generated by outreach work, which are added to the Outreach Reserve.

The main expense of the trade is the purchase of a broad range of goods from across the globe for resale. It is actually the purchase of fair trade goods from the producers, rather than the sale, which generates the public benefit but of course the enterprise would not be sustainable if the purchased goods were not sold to the public to provide fresh working capital to buy new stock.

Financial Review

Sales having exceeded the threshold for VAT registration in 2022, the requirement to account for and pay VAT has eaten up almost all of the net profit for the two subsequent years and all of it in the current year with the result that it has not been possible to make a donation of excess profits or to add to our deposit with the Shared Interest Society as previously. As noted above however, our primary objective is to sell fair trade goods on behalf of the producers, so although we strive to maximise our sales, covering our costs allows us to remain viable and continue to meet that objective.

The requirement to account for VAT on our sales means that, in accordance with standard accounting practice, the figures in the accounts (principally purchases and sales) must be shown net of VAT. So, although the accounts show total sales of £75610, the actual amount received from customers was £88650, a further decline from £90985 in 2024 and £94194 in 2023. The main fall was 5.5% in shop sales with a proportionately higher drop in the low level of online sales, offset by an upturn in stalls sales, mainly through outreach events, and by an increase in the mark-up rate on goods sold.

Reserves

Outreach Reserve

The Harrogate Borough Fair Trade Group was wound up during 2023 and transferred its remaining funds to HFTS to be used to promote Fair Trade locally. This has now been designated as the Outreach Reserve in order to ring fence these funds and occasional unsolicited donations received at outreach events are added to this reserve.

Business Development Reserve

This is our investment with the Shared Interest Society, which uses the deposits of its members to provide loans and credit facilities to fair trade producers to fund plants, materials, equipment and training.

This deposit thus fulfils the purpose of applying our surplus funds to benefit fair trade producers while remaining available should an opportunity be found to expand our business activities in the future. It should be noted however that the deposit is not covered by the Financial Services Compensation Scheme (FSCS) and is therefore at risk.

General Reserve

The general reserve is the bulk of accumulated profits and is represented by the remaining net current assets including the bank current accounts and stock. It is necessary to retain these reserves to ensure continuity of trading through the quiet first nine months of the year when funds are always run down and to provide sufficient liquidity to enable restocking prior to the opening of the Christmas Shop in early October. Approximately 60% of sales and all the annual profit is generated in the period leading up to Christmas.

In view of the very small profit this year, the trustees propose that no transfer be made to the Shared Interest account / Business Development Reserve.

Reference and Administrative details

Charity name:	Harrogate Fairtrade Shop
Registered charity number:	1164801
Registered company number:	07097275
Registered office:	Community House 46 – 50 East Parade Harrogate HG1 5RR

Directors and trustees

The directors of the charitable company (the charity) are its trustees for the purpose of charity law. The trustees and officers serving during the year and since the year end were as follows:

Dr Gillian Parkin	Chair
Diane Maguire	
Roger Elliott	Resigned 16/04/2025
Zoe Robinson	
James David Kinbar Robinson	Appointed 21/12/2024

None of the trustees receive remuneration or other benefits from their work with the charity.

This report has been approved by the trustees and is signed on their behalf



Dr Gillian Parkin,
Chair

HARROGATE FAIRTRADE SHOP

Company limited by guarantee No 07097275

Charity No 1164801

BALANCE SHEET AT 31 DECEMBER 2025

		31 December 2025		31 December 2024		
Fixed Assets						
Computer and Till Equipment		850		180		
Fixtures & Fittings		90	940	120	300	
Current Assets						
Cash at Bank	Co-operative Bank	20453		17630		
Cash at Bank	CAF Bank	15495		14082		
Cash at Bank	Shared Interest Society	18795		18748		
Cash in Hand		557		304		
Stock		22200		22000		
Debtors and prepayments		517	78017	7386	80150	
Current Liabilities						
Creditors and Accruals			-7974		-9473	
Net Assets			**70983**		**70977**	
Reserves						
Outreach Reserve			1369		1439	Note 1
Business Development Reserve			18795		18748	Note 2
General Reserve			50819		50790	
			70983		**70977**	

Note 1 The Harrogate Borough Fair Trade Group was wound up during 2023 and transferred its remaining funds to HFTS to be used to promote Fair Trade locally. This has now been designated as the Outreach Reserve in order to ringfence these funds and occasional unsolicited donations are added to the reserve.

Movements on this account were:

Balance b/f	1439.18
Donation received	100.00
Raffle Prizes	-50.00
Room Hire	-120.00
Balance c/f	1369.18

Note 2 The Shared Interest account is identified as our Business Development Reserve. The only movement in the year was the credit of a small amount of interest

HARROGATE FAIRTRADE SHOP

Company limited by guarantee No 07097275
Charity No 1164801

TRADING & PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31st DECEMBER 2025

	Year to 31/12/2025		Year to 31/12/2024	
Shop sales (card)	58702		62147	
Shop sales (cash)	11902	70604	12536	74683
Online sales		1516		1655
Stalls etc		3490		1668
Total Sales		75610		78006
Cost of Sales		35836		39236
Gross profit		39774		38770
Employee costs	26635		26105	
Rent & Rates	6456		6260	
Credit Card Fees (Shop)	1054		1095	
Online sales expenses	385		326	
Electricity	906		914	
Consultant	560		0	
Signage	490		0	
Music licences	428		414	
Email and web fees	310		256	
Insurance	309		304	
WiFi charges	270		270	
BAFTS Conference	236		146	
Small equipment purchase & repair	204		229	
Refreshments	185		151	
Consumables and Sundries	170		277	
Subscriptions & fees	167		163	
Transport of Stock & carriage	137		290	
Bank charges	128		119	
Window cleaning	110		120	
Cards for Good Causes Fee	110		0	
Recycling charges	106		80	
Printing & Stationery	89		86	
Shop front refurbishment	0		752	
Depreciation	330	39775	120	38477
Net Profit / Loss		-1		293

PROFIT AND LOSS ACCOUNT

Balance b/f	50790		50475	
Profit / Loss for the year	-1		293	
Interest	77		34	
To Business Development Reserve	-47		-13	
Balance c/f	50819		50790	

Independent Examiner's Report to the Trustees of Harrogate Fairtrade Shop ('the Company')

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 December 2025, as set out on pages 6 to 7 of your report.

Responsibilities and basis of report

As the charity's trustees (who are also the directors of the Company for the purposes of company law), you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ("the 2006 Act").

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ("the 2011 Act"). In carrying out my examination, I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that:

1. accounting records were not kept in respect of the Company as required by section 386 of the Companies Act 2006; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with relevant accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Charities SORP (FRS102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Signed:  **Date:** 4 / 4 / 2026

R W Memmott FCA