

**EQUAL EXCHANGE LIMITED  
FINANCIAL STATEMENTS**

**31 MARCH 2012**

SATURDAY



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22/12/2012

#769

COMPANIES HOUSE

**Company No.: SC078554  
Charity No.: SC004194**

## EQUAL EXCHANGE LIMITED

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2012**

The Directors present their 26<sup>th</sup> Annual Report on the Company's activities.

#### Company Structure

The Company is limited by guarantee and has no share capital. The liability of each of its members is limited to £1.00. The Company is recognised as a charity by the Inland Revenue for the purposes of Income and Corporation Tax.

#### Principal Activity and Business Review

The Company is a membership organisation engaged in promoting trade with the Third World. The Company has provided a source of long term finance for its associated company, Equal Exchange Trading Limited. The accounts cover the year ended 31st March 2012. The comparative figures are for the year ended 31st March 2011. The results for the year are shown in the attached accounts.

#### Directors

The Directors who served during the year and to the date of this report were:-

Norman Lockhart

Martin Meteyard

Rachel Farey

Charlie Bridge

No Directors had any contract with the Company.

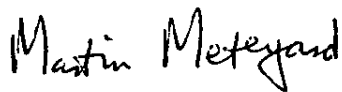
#### Reserves Policy

It is the intention of the directors to continue to lend money to Equal Exchange Trading Ltd thus enabling it to secure further loans. It is also the intention of directors to continue to use reserves to support projects in the Third World.

#### Statement on Risk

The Directors have considered the major risks to which the company could be exposed, and have taken steps to minimise their effect.

By Order of the Board



**Martin Meteyard, Secretary**

# EQUAL EXCHANGE LIMITED

## **PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2012**

	2012 £	2010 £
Sundry Income - Subscriptions & Donations	144	144
Donations	-	469
Administrative Costs	150	300
	<u>150</u>	<u>769</u>
Operating / (Deficit) surplus for the year	(4)	(625)
Dividend received from associated undertaking		-
Bank interest received	4	4
Interest receivable on loan to Associated Undertaking	<u>1530</u>	<u>1562</u>
Net (deficit) / surplus for the year before and after taxation (Note 2)	1530	941
Profit and Loss Account brought forward at 1st April 2011	28864	27923
Profit and Loss Account carried forward as at 31st March 2012	<u>30394</u>	<u>28864</u>

The Notes on pages 6 and 7 form part of these Accounts.

There are no realised profits or losses other than those dealt with above. There are no differences between the surplus or deficit reported above and the historical profit or loss for the year. There are no movements on reserves other than those reported above. As there is no share capital the movements on shareholders' funds are the same as the movements on reserves shown above.

### Statement of Financial Affairs

	2012 £	2011 £
<u>Incoming Resources</u>		
Subscriptions and Donations	144	144
Interest receivable	1566	1566
Dividend received		-
Total Incoming resources	<u>1710</u>	<u>1710</u>
<u>Use of Resources</u>		
Activities in furtherance of charitable objectives – donations	469	469
Governance costs	300	300
Total outgoing resources	<u>769</u>	<u>769</u>
Net incoming/(outgoing) resources for year	<u>941</u>	<u>941</u>
Funds at 1 <sup>st</sup> April 2011	<u>27932</u>	<u>27932</u>
Funds at 31 <sup>st</sup> March 2012	<u>28864</u>	<u>28864</u>

All figures refer to unrestricted funds.

**EQUAL EXCHANGE LIMITED**  
**BALANCE SHEET AS AT 31 MARCH 2012**

	Note	2012 £	2011 £
<u>Fixed Assets</u>			
Share in associated undertaking	5	500	500
Loan to associated undertaking - Amount repayable after one year	6	26500	26500
		<hr/> 27000	<hr/> 27000
<u>Current Assets</u>			
Short Term loan to assoc undertaking	6	7393	5863
Bank and cash balances		4402	4402
		<hr/> 11795	<hr/> 10265
Less Current Liabilities			
Creditors - due within one year	3	1066	1066
Net Current (liabilities)/Assets		<hr/> 10729	<hr/> 9199
		<hr/> 37729	<hr/> 36199
Less Long Term Liabilities			
Creditors due after one year - Loans from supporters	4	7335	7335
		<hr/> 30394	<hr/> 28864
Representing			
Capital and Reserves - Profit and Loss Account		<hr/> 30394	<hr/> 28864

For the year ending 31<sup>st</sup> March 2012 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to smaller companies.

Directors' responsibilities;

The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476,

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts,

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The accounts are approved by the Directors at their meeting on

20 DECEMBER 2012 and signed on their behalf by

Martin Meteyard Martin Meteyard, Director

The Notes on pages 5 & 6 form part of these accounts.

EQUAL EXCHANGE LIMITED  
NOTES TO THE ACCOUNTS TO 31 MARCH 2012

1. Accounting Policies

Basis of accounting- the accounts are prepared on the historical cost basis and on the going concern basis

Turnover - the company made no sales; other income is credited as it is received together with any associated taxation credit

Taxation - the company is accepted by the Inland Revenue as a charity for the purposes of Section 505 ICTA 1988.

2. Profit and Loss Account	2012	2011
	£	£
Directors' remuneration for the year was Nil	-	-
There were no other employees during the year (2010 Nil)	-	-
3. Creditors due within one year		
Accrued charges	316	316
Loans from supporters (50% of sums payable on demand)	750	750
	<u>1066</u>	<u>1066</u>
4. Long Term Liability - Creditors due after one year		
Loans from supporters- repayable at more than one year's notice	6585	6585
- 50% repayable on demand	750	750
	<u>7335</u>	<u>7335</u>

The Directors take the view that of the loans due for repayment in less than one year, it is unlikely that all would be redeemed in the short term without corresponding new loans being raised. Therefore 50% of the short term loans are shown as being due after one year.

The loans are unsecured. £1220 of the loans notionally carry interest at 5% but the lenders have foregone interest. The remainder of the loans are interest free.

5. Associated Undertaking

The company owns one co-operative share in Equal Exchange Trading Ltd. This share represents one seventh of the Co-operative shares in issue with a right of veto over certain assets of the management of Equal Exchange Trading Ltd. The Directors therefore consider that Equal Exchange Trading Ltd is an associated undertaking.

The total shareholding in Equal Exchange Trading Limited is as follows	2012	2011
	£	£
1 A share of £1	1	1
500 B shares of £1 each	500	500
	<u>501</u>	<u>501</u>

Equal Exchange Trading Ltd's most recent financial year ended on 31st October 2011. Its accounts show a net loss after taxation for the year ended 31 October 2011 of £138,036 (2010: loss £157,854), and a total accumulated share capital and deficit of £98,672 (2010 surplus: £72,140) at that date. The Balance Sheet of the company shows net current liabilities at 31 October 2011 of £127,572 (2010: £493,870). Interest receivable during the year from Equal Exchange Trading Limited has been shown in the profit and loss account.

## EQUAL EXCHANGE LIMITED

6. Loans to the Associated Undertaking	2012	2011
	£	£
Shown as fixed asset -		
Long term loan repayable quarterly at a rate of £500 with interest at 5% per annum repayable after 1 April 2012	26500	26500
Shown as current asset -		
Long term loan repayable before 31.3.2012	2000	2000
Interest Receivable	5393	2768
All the loans are unsecured	7393	4768

### 7. Contingent Liability

Equal Exchange Trading Ltd has received a loan from Shared Interest Society Ltd to a maximum of £500,000. Equal Exchange Ltd has agreed that in the event of the winding up of Equal Exchange Trading Ltd, Shared Interest Society Ltd will receive repayment of all its facility before Equal Exchange Ltd receives any repayment on £20,000 of its loan to Equal Exchange Trading Ltd.

### 8. Capital Structure

The Company is limited by guarantee and has no share capital. In the event of the company being wound up, the liability of members is limited to £1.00 each.

EQUAL EXCHANGE LIMITED

**INDEPENDENT EXAMINER'S REPORT TO EQUAL EXCHANGE LIMITED ON THE  
ACCOUNTS OF THE CHARITY FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2012 SET OUT  
IN PAGES 3 TO 6.**

**Respective Responsibilities of the Trustees and Examiner**

The charity's trustees are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) 2005 Act, the Charities Accounts (Scotland) Regulations 2006 and the Companies Acts 1985 and 2006. The charity trustees consider that the audit requirement of Regulation 10(1) (d) of the Accounts Regulations does not apply. It is my responsibility to examine the accounts as required under section 44(1) (c) of the Act and to state whether particular matters have come to my attention.

**Basis of Independent Examiners Statement**

My examination is carried out in accordance with Regulation 11 of the Charities Accounts (Scotland) Regulations 2006. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts and seek explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and, consequently, I do not express an audit opinion on the accounts.

**Independent Examiner's Statement**

In the course of my examination, no matter has come to my attention.

1. which gives me reasonable cause to believe that in any material respect the requirements:
  - to keep accounting records in accordance with section 44(1) (a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations, and
  - to prepare accounts which accord with the accounting records and comply with Regulation 9 of the 2006 Accounts Regulations and with the Companies Acts 1985 and 2006.

Have not been met or

2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

*A.W. Scotland CA.*

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Edinburgh  
EH6 4RY

Date: *21st December 2012*