



Financial Statements
For the year ended December 31, 2014



Fairtrade Canada Inc.
Financial Statements
For the year ended December 31, 2014

Contents

Independent Auditor's Report	1
Financial Statements	
Balance Sheet	3
Statement of Changes in Net Assets	4
Statement of Operations	5
Statement of Cash Flows	6
Summary of Significant Accounting Policies	7
Notes to Financial Statements	11
Schedules of Expenses	17

Independent Auditor's Report

To the Members of Fairtrade Canada Inc.

We have audited the accompanying financial statements of Fairtrade Canada Inc., which comprise the balance sheet as at December 31, 2014, and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian Accounting Standards for Not-for-Profit Organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independent Auditor's Report

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Fairtrade Canada Inc. as at December 31, 2014, and the results of its operations and its cash flows for the year then ended in accordance with Canadian Accounting Standards for Not-for-Profit Organizations.

Collins Barrow Ottawa LLP

Chartered Professional Accountants, Licensed Public Accountants

June 26, 2015

Ottawa, Ontario

Fairtrade Canada Inc.
Balance Sheet

December 31	2014	2013
Assets		
Current		
Cash (Note 1)	\$ 593,881	\$ 925,461
Short-term deposits (Note 2)	255,395	255,571
Accounts receivable (Note 3)	933,747	684,809
Inventory of resale items	-	1,199
Prepaid expenses and inventory of promotional materials	52,108	50,055
	1,835,131	1,917,095
Tangible capital assets (Note 4)	101,133	110,791
Intangible capital assets (Note 5)	1,099	697
Other intangible assets	4,773	4,773
	\$ 1,942,136	\$ 2,033,356

Liabilities and Net Assets

Current		
Accounts payable and accrued liabilities (Note 7)	\$ 511,015	\$ 648,193
Government remittances payable	20,722	23,803
Deferred revenue - producer support	5,287	7,754
	537,024	679,750
Deferred lease inducements (Note 8)	16,900	19,500
	553,924	699,250
Net Assets		
Internally restricted		
Invested in capital assets (Note 9)	102,232	111,488
Contingency reserve (Note 9)	250,000	250,000
Unrestricted	1,035,980	972,618
	1,388,212	1,334,106
	\$ 1,942,136	\$ 2,033,356

On behalf of the Board:

_____ Director _____ Director

Fairtrade Canada Inc.
Statement of Changes in Net Assets

For the year ended December 31, 2014

	Internally Restricted			Total
	Invested in Capital Assets	Contingency Reserve	Unrestricted	
Balance , beginning of year	\$ 111,488	\$ 250,000	\$ 972,618	\$ 1,334,106
Excess (deficiency) of revenue over expenses for the year	(28,848)	-	82,954	54,106
Purchase of tangible and intangible capital assets	19,592	-	(19,592)	-
Balance , end of year	\$ 102,232	\$ 250,000	\$ 1,035,980	\$ 1,388,212

For the year ended December 31, 2013

	Internally Restricted			Total
	Invested in Capital Assets	Contingency Reserve	Unrestricted	
Balance, beginning of year	\$ 114,722	\$ 250,000	\$ 753,233	\$ 1,117,955
Excess (deficiency) of revenue over expenses for the year	(32,669)	-	248,820	216,151
Purchase of tangible and intangible capital assets	29,435	-	(29,435)	-
Balance, end of year	\$ 111,488	\$ 250,000	\$ 972,618	\$ 1,334,106

Fairtrade Canada Inc. Statement of Operations

For the year ended December 31	2014	2013
Revenue		
License fees	\$ 1,537,845	\$ 1,445,143
Other fees and charges	707,329	727,611
Interest	3,072	3,439
	2,248,246	2,176,193
Expenses		
Finance and administration (Schedule)	284,669	289,904
Commercial relations and business development (Schedule)	664,034	631,210
Certification (Schedule)	413,556	361,173
Marketing and communication (Schedule)	383,111	284,092
Fees to global system - Fairtrade International	350,203	305,104
Governance - board meetings and insurance	110,935	88,901
Other expenses (recoveries) (Note 13)	(12,368)	(342)
	2,194,140	1,960,042
Total expenses (Schedule)		
	2,194,140	1,960,042
Excess of revenue over expenses for the year	\$ 54,106	\$ 216,151

Fairtrade Canada Inc. Statement of Cash Flows

For the year ended December 31	2014	2013
Cash flows from (used in) operating activities		
Excess of revenue over expenses for the year	\$ 54,106	\$ 216,151
Adjustments for		
Amortization of tangible and intangible capital assets	28,848	32,669
Amortization of deferred lease inducements	(2,600)	(2,600)
	80,354	246,220
Changes in non-cash working capital balances		
Accounts receivable	(248,938)	(19,529)
Inventory of resale items	1,199	(74)
Prepaid expenses and inventory of promotional materials	(2,053)	(6,726)
Accounts payable and accrued liabilities related to operating items (Note 7)	(24,818)	(2,438)
Government remittances payable	(3,081)	20,532
Deferred revenue - producer support	(2,467)	-
	(199,804)	237,985
Cash flows from (used in) financing activities		
Net increase (decrease) in unremitted fees collected on behalf of other organizations (Note 7)	(103,700)	302,169
Cash flows from (used in) investing activities		
Purchase of tangible and intangible capital assets	(19,592)	(29,435)
Net increase (decrease) in accounts payable and accrued liabilities related to the purchase of tangible and intangible capital assets (Note 7)	(8,660)	(8,942)
	(28,252)	(38,377)
Increase (decrease) in cash and cash equivalents during the year	(331,756)	501,777
Cash and cash equivalents, beginning of year	1,181,032	679,255
Cash and cash equivalents, end of year	\$ 849,276	\$ 1,181,032
Represented by		
Cash	\$ 593,881	\$ 925,461
Short-term deposits	255,395	255,571
	\$ 849,276	\$ 1,181,032

Fairtrade Canada Inc.

Summary of Significant Accounting Policies

December 31, 2014

Nature of Organization	<p>Fairtrade Canada Inc. ("Fairtrade") is a not-for-profit organization incorporated without share capital under the laws of Canada. Fairtrade was incorporated under the Canada Corporations Act - Part II until December 17, 2013. On December 17, 2013 Fairtrade continued under the Canada Not-for-profit Corporations Act. Fairtrade is also a not-for-profit organization within the meaning of the Income Tax Act of Canada and is exempt from income taxes on its not-for-profit activities.</p> <p>Fairtrade's operations primarily involve the licensing of a consumer logo for coffee, tea, chocolate, sugar and other products, as determined from time to time, imported into Canada under fair trade conditions. A significant portion of Fairtrade's revenue is derived from a small number of organizations. For the 2014 fiscal year Fairtrade derived approximately 48% of its license fees revenue from five organizations.</p> <p>In accordance with the organization's Articles of Continuance under the Canada Not-for-profit Corporations Act, Fairtrade's statement of purpose is to promote fairness in trade, internationally and domestically. The Articles of Continuance also require that any property remaining on liquidation of Fairtrade, after the discharge of its liabilities, shall be distributed to one or more organizations with purposes similar to those of Fairtrade's.</p>
Basis of Presentation	<p>These financial statements are prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations which are part of Canadian generally accepted accounting principles and include the following significant accounting policies.</p>
Use of Estimates	<p>The preparation of financial statements in accordance with Canadian Accounting Standards for Not-for-Profit Organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates and assumptions as additional information becomes available in the future. These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in operations in the fiscal period in which they become known.</p> <p>Significant estimates include assumptions used in estimating: the initial fair value of financial instruments; the amounts and collectibility of accounts receivable including related license fees revenue; the net realizable value or replacement cost of inventories; the useful life, amortization and long-term potential of tangible and intangible capital assets; the impairment, if any, of other intangible assets; provisions for accrued liabilities; and the functional allocation of expenses.</p>

Fairtrade Canada Inc.

Summary of Significant Accounting Policies

December 31, 2014

Financial Instruments Fairtrade's financial instruments are financial assets or financial liabilities where, in general, Fairtrade has the right to receive cash or another financial asset from another party or Fairtrade has the obligation to pay another party cash or other financial assets.

Measurement of financial instruments

Fairtrade initially measures its financial assets and financial liabilities at fair value, except for certain non-arm's length transactions.

Fairtrade subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments, if any, that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in operations.

Financial assets and financial liabilities measured at amortized cost include cash, short-term deposits, accounts receivable, accounts payable and accrued liabilities, and government remittances payable.

There are no financial assets or financial liabilities measured at fair value.

Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in operations as an expense. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in operations as a recovery.

Transaction costs

Fairtrade recognizes its transaction costs in operations in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

Inventory Inventory of promotional materials is carried at the lesser of cost and estimated replacement cost.

Capital Assets Tangible capital assets are recorded at cost. Amortization rates and methods for tangible capital assets are as follows:

Computer equipment	30%	diminishing balance basis
Office equipment	20%	diminishing balance basis

Fairtrade Canada Inc.

Summary of Significant Accounting Policies

December 31, 2014

Capital Assets
(continued)

Leasehold improvements are being amortized on a straight line basis over the lesser of: their estimated useful life and; the term of the lease of 5 years plus the renewal option of an additional 5 years for a total of 10 years.

Intangible capital assets are recorded at cost. Intangible capital assets with finite lives are amortized over their estimated used lives. Amortization rates and methods for intangible capital assets are as follows:

Computer software	50%	straight-line balance basis
-------------------	-----	-----------------------------

When a tangible or intangible capital asset no longer has any long-term potential to Fairtrade, the write-down being the excess of its net carrying amount over any residual value is recognized in operations as an expense. A write-down is not reversed in subsequent years.

Other Intangible Assets

Other intangible assets represent the purchase of an internet domain name, which is an unlimited life intangible asset, and is stated at cost. This asset is not being amortized. Should there be an impairment in the value of the asset, it will be written down to its net realizable value.

Volunteer Services

A portion of Fairtrade's work is dependent upon the contributions of volunteers. These services are not normally purchased and due to difficulty in determining their fair value, they are not recognized in these financial statements.

Deferred Lease Inducements

Deferred lease inducements are recorded at cost less accumulated amortization and represent a leasehold improvements allowance received from Fairtrade's landlord. These inducements are being amortized to rent expense on a straight-line basis over the term of the lease including the renewal option which totals 10 years.

Foreign Currency Translation

Transactions during the year in a foreign currency have been converted to Canadian dollars at the exchange rate effective on the transaction date. All monetary assets and liabilities in foreign currency have been converted to Canadian dollars at the exchange rates in effect at the respective year end. Gains or losses resulting therefrom are included in the determination of the excess (deficiency) of revenue over expenses for the year.

Revenue Recognition

License fees are determined based on the quarterly activity of the licensee and are recognized as revenue by Fairtrade in the quarter the fees are assessable by Fairtrade. Other fees and charges are recognized as revenue when services are rendered or as goods are sold. Revenue is recognized to the extent that amount to be received can be reasonably estimated and collection is reasonably assured. Under certain agreements, Fairtrade collects fees on behalf of other

Fairtrade Canada Inc.

Summary of Significant Accounting Policies

December 31, 2014

Revenue Recognition (continued)	organizations on an agency basis and after their receipt distributes these fees to these other organizations. These fees are not Fairtrade's revenue and are not presented as such in the Statement of Operations. Fairtrade's obligation to distribute funds to other organizations arises when Fairtrade is in receipt of the fees and until receipt occurs any fees receivable and payable are presented on a net offsetting basis in the Balance Sheet.
Allocation of Expenses	Fairtrade's expenses are presented in the Statement of Operations on a functional basis. Certain expenses incurred are attributed to more than one function and are directly related to the output of the applicable function. These expenses are therefore considered direct program expenses and not indirect allocated expenses. Direct program expenses include certain salaries and benefits that are attributed to functions based on estimated time spent. Functional expense totals also include certain indirect allocated expenses consisting of certain facilities related expenses that are allocated to other functions based on relative usage. (See Schedule of Indirect Facilities Expenses to these financial statements.)
Cash and Cash Equivalents	For purposes of Fairtrade's Statement of Cash Flows, cash and cash equivalents are defined as bank balances; demand deposits; and short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Normally only non-equity investments would be considered a cash equivalent, otherwise they would be considered an investing activity. In addition, bank overdrafts would only be considered a cash equivalent if they are repayable on demand and form an integral part of Fairtrade's cash management, whereby the bank balance fluctuates frequently from positive to overdrawn, otherwise they would be considered a financing activity.

Fairtrade Canada Inc. Notes to Financial Statements

December 31, 2014

1. Cash

Fairtrade's bank accounts are held at a Canadian chartered bank, earn nominal interest at a floating rate and include \$321,557 Canadian (2013 - \$812,303 Canadian) denominated in U.S. dollars which have been translated to Canadian dollars in these financial statements.

2. Short-Term Deposits

Short-term deposits are carried at cost plus accrued interest.

	2014	2013
Term deposits	\$ 255,050	\$ 251,641
Accrued interest	345	3,930
	\$ 255,395	\$ 255,571

Short-term deposits as at December 31, 2014 are held in Canadian chartered banks and major Canadian financial services companies, and consist of several individual investments that mature throughout 2015 and 2016 (2013 - throughout 2014) bearing interest at rates between 1.25% and 1.60% (2013 - 1.00% and 1.65%) for an average of 1.41% (2013 - 1.42%). The investments generally have a one-year term but can be redeemed as necessary and are therefore considered to be a cash equivalent.

3. Accounts Receivable

	2014	2013
Accounts receivable	\$ 964,959	\$ 720,361
Less: Allowance for doubtful accounts	(31,212)	(35,552)
	\$ 933,747	\$ 684,809

The allowance for doubtful accounts is provided for the amount of possibly impaired accounts receivable. The carrying amount of total accounts receivable that includes an impairment provision equals \$49,716 (2013 - \$35,552). The establishment of the allowance for doubtful accounts relies on the judgment of Fairtrade's management based on expectations of future collections and past experience.

The net amount of accounts receivable include \$160,972 Canadian (2013 - \$157,704 Canadian) denominated in U.S. dollars, and \$135,983 Canadian (2013 - \$56,818 Canadian) denominated in Euros. These amounts have been translated to Canadian dollars in these financial statements.

Fairtrade Canada Inc.
Notes to Financial Statements

December 31, 2014

4. Tangible Capital Assets

	2014			2013		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Computer equipment	\$ 118,472	\$ 76,012	\$ 42,460	\$ 110,278	\$ 59,570	\$ 50,708
Office equipment	47,385	31,699	15,686	42,118	28,824	13,294
Leasehold improvements	65,313	22,326	42,987	62,215	15,426	46,789
	\$ 231,170	\$ 130,037	\$ 101,133	\$ 214,611	\$ 103,820	\$ 110,791

5. Intangible Capital Assets

	2014			2013		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Computer software	\$ 65,468	\$ 64,369	\$ 1,099	\$ 62,435	\$ 61,738	\$ 697

6. Credit Facilities

Fairtrade has an unused line of credit at a Canadian chartered bank in the amount of \$40,000 (2013 - \$40,000) at bank prime plus 2.25% (2013 - bank prime plus 2.25%). It is due upon demand and is secured by the pledge of an investment certificate of \$40,000 which is included in the short-term deposits set out in Note 2 to these financial statements.

In addition Fairtrade has credit facilities in the form of corporate credit cards which total \$95,200 (2013 - \$63,900) of which \$4,551 (2013 - \$19,393) was utilized, was not overdue and is included in accounts payable and accrued liabilities.

Fairtrade Canada Inc.
Notes to Financial Statements

December 31, 2014

7. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities include \$248,964 Canadian (2013 - \$437,315 Canadian) denominated in U.S. dollars, and \$80,457 Canadian (2013 - \$91,749 Canadian) denominated in Euros. These amounts have been translated to Canadian dollars in these financial statements.

Accounts payable and accrued liabilities are comprised of amounts owing for the following:

	<u>2014</u>	<u>2013</u>
Trade accounts - operating items	\$ 225,173	\$ 249,991
Acquisition of tangible and intangible capital assets	-	8,660
Unremitted fees collected on behalf of other organizations	285,842	389,542
	<u>\$ 511,015</u>	<u>\$ 648,193</u>

8. Deferred Lease Inducements

	<u>2014</u>	<u>2013</u>
Cost	\$ 26,000	\$ 26,000
Less: Accumulated amortization	9,100	6,500
	<u>\$ 16,900</u>	<u>\$ 19,500</u>

9. Internally Restricted Net Assets

Invested in capital assets

Amounts invested in capital assets represents amounts internally restricted by Fairtrade's Board of Directors and equals the net book value of Fairtrade's tangible and intangible capital assets.

Contingency reserve

In a prior year, Fairtrade's Board of Directors approved the creation of a contingency reserve in the amount of \$250,000 to provide a source of funds for unanticipated interruptions in revenue.

Fairtrade Canada Inc. Notes to Financial Statements

December 31, 2014

10. Commitments

Premises

Fairtrade has leased office space under an agreement which expires June 30, 2016. There is a renewal option for an additional 5 years. Fairtrade is committed to the following lease payments over the balance of the initial lease term which ends June 30, 2016.

2015	\$ 74,823
2016	<u>37,412</u>
	<u>\$ 112,235</u>

Effective April 30, 2013, Fairtrade entered into a sublease agreement for part of its office space. The sublease is for a term of three years ending April 30, 2016. The following sublease payments are receivable over the balance of the sublease agreement which ends April 30, 2016. The rental income is included in other fees and charges revenue in the Statement of Operations.

2015	\$ 19,250
2016	<u>6,417</u>
	<u>\$ 25,667</u>

Other

In connection with its operations, Fairtrade regularly enters into agreements for the purchase of various supplies and services including the rental of equipment. Certain of these agreements extend beyond the end of the 2014 fiscal year. In the opinion of management, these agreements are in the normal course of Fairtrade's operations, are not abnormal in amount or nature and do not include a high degree of speculative risk.

11. Related Party Transactions

During the 2014 fiscal year, remuneration in the amount of \$nil (2013 - \$4,453) was paid to the Chair of Fairtrade's Board of Directors as compensation for work performed. This transaction was in the normal course of operations and was measured at the exchange amount, which was the amount of consideration established and agreed to by the related parties.

Fairtrade Canada Inc. Notes to Financial Statements

December 31, 2014

12. Financial Instruments Risks and Concentrations

Fairtrade is exposed to various risks through its financial instruments. The following analysis provides a measure of Fairtrade's risk exposure and concentrations as at December 31, 2014.

Fairtrade is not involved in any hedging relationships through its operations and does not hold or use any derivative financial instruments for trading purposes.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Fairtrade is exposed to credit risk on its accounts receivable, set out in Note 3 to these financial statements, in the event of non-payment by its licensees. Fairtrade has no significant concentration of credit risk on its accounts receivable set out in Note 3 to these financial statements, however on an on-going basis Fairtrade's revenue is concentrated in a small number of organizations. Although not considered a significant credit risk, credit risk also exists in relation to the Fairtrade's cash and short-term deposits balances set out in Notes 1 and 2 to these financial statements.

Liquidity risk

Liquidity risk relates to the risk that Fairtrade will encounter difficulty in meeting its obligations associated with its financial liabilities. Fairtrade is exposed to this risk mainly in respect of its accounts payable and accrued liabilities, and government remittances payable.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. Fairtrade is mainly exposed to currency risk and interest rate risk.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Fairtrade's revenue and expenses as well as certain of its financial instruments are in foreign currencies. Consequently, Fairtrade is exposed to foreign exchange fluctuations on its cash as set out in Note 1 to these financial statements, its net accounts receivable as set out in Note 3 to these financial statements, and its accounts payable and accrued liabilities as set out in Note 7 to these financial statements, which results in foreign exchange gains and losses as set out in Note 13 to these financial statements.

Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fairtrade does not have any unused interest bearing credit facilities, as set out in Note 6 to these financial statements. Consequently, Fairtrade is not exposed to interest rate fluctuations on this financial instrument. However, the short-term deposits set out in Note 2 to these financial statements bear interest at fixed rates and as such are subject to interest rate price risk resulting from changes in fair value from market fluctuations in interest rates. Fairtrade holds floating rate financial instruments being its cash balances set out in Note 1 to these financial statements which are subject to cash flow risk as interest rates change.

Fairtrade Canada Inc.
Notes to Financial Statements

December 31, 2014

12. Financial Instruments Risks and Concentrations (continued)

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. Fairtrade is not exposed to other price risk since its financial instruments are not traded in the market.

Changes in risk

There have been no significant changes in Fairtrade's risk exposures during the year ended December 31, 2014.

13. Other Expenses (Recoveries)

During 2014, Fairtrade incurred a foreign exchange gain of \$11,193 (2013 - \$14,551) which is included in other expenses (recoveries) in the Statement of Operations.

14. Corresponding Amounts

In certain instances, 2013 fiscal year corresponding amounts and financial disclosures have been reclassified to conform with the financial statement presentation and financial disclosures adopted for the 2014 fiscal year.

Fairtrade Canada Inc.
Schedule of Finance and
Administration Expenses

For the year ended December 31	2014	2013
Payroll and development		
Salaries, benefits and employee development	\$ 173,913	\$ 186,526
Recruiting expenses		
Recruiting fees, advertising and relocation costs	831	12,045
Travel expenses		
Transportation, accommodations, meals and other	31,859	24,316
Departmental supplies		
Supplies and services	6,578	7,168
Professional service fees		
Consulting and other professional fees	409	219
Legal fees	1,247	3,736
Audit and accounting fees	17,350	11,650
Technical support services	28,561	23,135
	47,567	38,740
Interest and bank charges		
Interest and bank charges	1,255	1,166
Facilities related expenses		
Direct facilities expenses (mainly courier, postage, telephone and internet)	2,556	3,591
Allocated from indirect facilities expenses	20,110	16,352
	22,666	19,943
	\$ 284,669	\$ 289,904

Fairtrade Canada Inc.
**Schedule of Commercial Relations
and Business Development Expenses**

For the year ended December 31	2014	2013
Awareness		
Promotional materials	\$ 529	\$ 395
Research studies	2,500	9,127
Community support	39,304	38,811
Memberships and networks	3,930	2,763
Trader support	4,240	-
	<hr/> 50,503	<hr/> 51,096
Payroll and development		
Salaries, benefits and employee development	<hr/> 442,967	<hr/> 438,386
Recruiting expenses		
Recruiting fees, advertising and relocation costs	<hr/> 2,715	<hr/> 1,183
Travel expenses		
Transportation, accommodations, meals and other	<hr/> 52,121	<hr/> 57,867
Departmental supplies		
Supplies and services	<hr/> 9,039	<hr/> 7,962
Professional service fees		
Consulting and other professional fees	54,309	7,000
Legal fees	-	4,687
Translation services	833	2,438
	<hr/> 55,142	<hr/> 14,125
Facilities related expenses		
Direct facilities expenses (mainly courier, postage, telephone and internet)	1,212	215
Allocated from indirect facilities expenses	50,335	60,376
	<hr/> 51,547	<hr/> 60,591
	<hr/> \$ 664,034	<hr/> \$ 631,210

Fairtrade Canada Inc. Schedule of Certification Expenses

For the year ended December 31	2014	2013
External monitoring expenses		
Certification audits - external auditors	\$ -	\$ 17,376
Certification audits - Fairtrade Canada employees	12,957	6,723
Flo-Cert GmbH fees	35,074	78,183
Flo-System wide projects	11,037	-
	<u>59,068</u>	<u>102,282</u>
Awareness		
Promotional materials	788	-
Community support	1,338	205
Memberships and networks	442	1,000
	<u>2,568</u>	<u>1,205</u>
Payroll and development		
Salaries, benefits and employee development	<u>286,243</u>	<u>210,304</u>
Recruiting expenses		
Recruiting fees, advertising and relocation costs	<u>317</u>	<u>1,984</u>
Travel expenses		
Transportation, accommodations, meals and other	<u>19,650</u>	<u>3,960</u>
Departmental supplies		
Supplies and services	<u>6,773</u>	<u>3,683</u>
Facilities related expenses		
Direct facilities expenses (mainly courier, postage, telephone and internet)	12	20
Allocated from indirect facilities expenses	38,925	37,735
	<u>38,937</u>	<u>37,755</u>
	<u>\$ 413,556</u>	<u>\$ 361,173</u>

Fairtrade Canada Inc.
Schedule of Marketing and
Communication Expenses

For the year ended December 31	2014	2013
Awareness		
Promotional materials	\$ 45,409	\$ 36,815
Advertising and media	4,466	7,696
Community support	92,703	27,223
	<u>142,578</u>	<u>71,734</u>
Payroll and development		
Salaries, benefits and employee development	<u>171,577</u>	<u>107,815</u>
Recruiting expenses		
Recruiting fees, advertising and relocation costs	<u>1,353</u>	<u>690</u>
Travel expenses		
Transportation, accommodations, meals and other	<u>13,931</u>	<u>7,689</u>
Departmental supplies		
Printing and stationary	4,858	450
Supplies and services	3,377	1,373
	<u>8,235</u>	<u>1,823</u>
Professional service fees		
Consulting and other professional fees	21,238	21,210
Technical support services	2,987	-
Website	-	31,816
Translation services	2,952	84
Graphic design	2,468	24,070
	<u>29,645</u>	<u>77,180</u>
Facilities related expenses		
Direct facilities expenses (mainly courier, postage, telephone and internet)	4,485	5,840
Allocated from indirect facilities expenses	11,307	11,321
	<u>15,792</u>	<u>17,161</u>
	<u>\$ 383,111</u>	<u>\$ 284,092</u>

Fairtrade Canada Inc.
Schedule of Indirect Facilities Expenses

For the year ended December 31	2014	2013
Indirect facilities related expenses		
Website and domain hosting	\$ 1,025	\$ 887
Courier and postage	1,972	1,339
Building maintenance	2,051	7,177
Insurance	1,834	1,628
Rent	72,223	70,441
Telephone and internet	12,724	11,643
Amortization of tangible and intangible capital assets	28,848	32,669
Allocated to other functional expense categories	(120,677)	(125,784)
	<hr/>	<hr/>
	\$ -	\$ -

Fairtrade Canada Inc. Schedule of Total Expenses

For the year ended December 31	2014	2013
External monitoring expenses		
Certification audits - external auditors	\$ -	\$ 17,376
Certification audits - Fairtrade Canada employees	12,957	6,723
Flo-Cert GmbH fees	35,074	78,183
Flo-Cert transition expense	11,037	-
	59,068	102,282
Awareness		
Promotional materials	46,727	37,210
Advertising and media	4,466	7,696
Research studies	2,500	9,127
Community support	133,344	66,239
Memberships and networks	4,372	3,763
Trader support	4,240	-
	195,649	124,035
Payroll and development		
Salaries, benefits and employee development	1,074,700	943,031
Recruiting expenses		
Recruiting fees, advertising and relocation costs	5,216	15,902
Travel expenses		
Transportation, accommodations, meals and other	117,561	93,832
Departmental supplies		
Printing and stationary	4,858	450
Supplies and services	25,767	20,186
	30,625	20,636
Professional service fees		
Consulting and other professional fees	75,956	28,429
Legal fees	1,247	8,423
Audit and accounting fees	17,350	11,650
Technical support services	31,548	23,135
Website	-	31,816
Translation services	3,785	2,522
Graphic design	2,468	24,070
	132,354	130,045
Interest and bank charges		
Interest and bank charges	1,255	1,166

(continued on next page)

Fairtrade Canada Inc.
Schedule of Total Expenses (continued)

For the year ended December 31	2014	2013
<i>(continued from previous page)</i>		
Facilities related expenses		
Website and domain hosting	\$ 1,025	\$ 887
Courier and postage	1,972	1,339
Building maintenance	2,051	7,177
Insurance	1,834	1,628
Rent	72,223	70,441
Telephone and internet	12,724	11,643
Direct facilities expenses (mainly courier, postage, telephone and internet)	8,265	9,666
Amortization of tangible and intangible capital assets	28,848	32,669
	<hr/> 128,942	<hr/> 135,450
Fees to global system - Fairtrade International	<hr/> 350,203	<hr/> 305,104
Governance - board meetings and insurance	<hr/> 110,935	<hr/> 88,901
Other expenses (recoveries)	<hr/> (12,368)	<hr/> (342)
	<hr/> \$ 2,194,140	<hr/> \$ 1,960,042
