

Dear friends,

To be poor is a difficult thing no matter where you live.

But to be poor without hope of changing your lot in life or that of your children, no matter how hard you work, is both a personal tragedy and terrible loss of potential for humanity.

Fortunately the world is full of a growing number of people who understand that the way they spend and donate their money can provide concrete opportunity for those who strive to work their way out of poverty with dignity.

2011 was a year of new initiatives and financial improvement at SERRV thanks to the continued involvement of thousands of donors, customers, volunteers, supporters and a committed staff, all of whom understand that the opportunity SERRV provides changes thousands of lives each year.

We trust your life has been enriched as much as those of the artisans and farmers we support, as we work together to eradicate all forms of poverty.



Thank you,

*Bob Chase*

Bob Chase  
CEO/President,  
SERRV International

## New Partnerships in 2011



### Singing Rooster in Haiti

In 2011, we were excited to begin a partnership with Singing Rooster, an organization working with coffee farmers in Haiti. By buying coffee and creating new markets, Singing Rooster provides sales outlets for isolated farmer cooperatives. This small nonprofit invests their proceeds directly into the farming communities. Since only 2% of Haiti's surface is forested, much of their work is focused on reforestation and generating access to water.

### Tintsaba in Swaziland

We are proud of our new partnership with Tintsaba, a talented organization of women who have become masters in weaving highly elaborate sisal baskets and jewelry. In Swaziland, a country that struggles with high HIV/AIDS rates and widespread poverty, Tintsaba gives hundreds of women the opportunity to learn new skills and enrich their lives.



We also began relationships with Imvelo Eswatini in Swaziland, and Bright Endeavors in the United States. Find out more about these organizations at [www.serrv.org](http://www.serrv.org).



## Some 2011 Development Highlights

### Extensive On-site Product Development

Our product team visited our partners in Mexico, Guatemala, Honduras, Nicaragua, Peru, Kenya, Rwanda, Uganda, Swaziland, India, and Nepal.

### Grants for Equipment

We provided grants to Threads of Yunnan in China to purchase new sewing machines for a rural training center, and to Casa Romero in Mexico to purchase new tools for painting.

### New website for Comité Artisanal Haitien

With SERRV donor support, we worked with CAH to develop a more effective website to market their products to new export customers.

### Design Center in Haiti

Through a partnership with Lutheran World Relief and support from individual donors, SERRV and CAH created a Design Center for Haitian artisans to learn, train, and connect.

### Fair Wage Calculation

Designer Sarah Heidebrecht volunteered her time with St. Mary's in India to help with fair wage calculation, design procedures, and production chain management.

### Design and Trend workshop in Nepal

With support from SERRV, designer Docey Lewis led a workshop on US design trends for Fair Trade Group Nepal member organizations.



## Designing a More Just World

This year, we continued our strong focus on helping our partners create well-designed products.

Our second annual Design Camp took place in August 2011, when we welcomed Priyo Ananto from Indonesia, Charmaine Miranda Cruz (Chum) from the Philippines and Sumitra Baiju from Nepal for a week-long intensive “camp” on designing for SERRV’s customer. Held in Madison, WI and Chicago, Design Camp was packed with presentations and critiques of the visiting designer’s work, meetings with professionals in the field, store visits, home stays and more. Sumitra shared, “It’s been important for me to receive feedback on my collections from other designers- I’m not usually able to get this in Nepal, and I think it’s needed to create modifications and gain new perspectives on how things can

work. I can then come up with designs that the American customer will respond to.”

We also funded and led a design training for our partners based in Ecuador, Chile and Peru. Artisans in this region of the world face challenges in creating original designs with materials that have increasing costs, so it’s important to offer support and inspiration for new products. We discussed US trends in color, home décor, and gifts, as well as SERRV’s target customers and our approach to merchandising.

With designs that appeal to the US consumer, our partners will be able to expand their product lines and increase sales for their organizations. Ultimately, this will lead to more opportunity for the artisans we support.



## Guest Designers work with SERRV Partners

**Trinity Jewellery, Kenya** Through a training grant funded by the Ramsay Merriam Fund, Anna Lewerth, a Swedish professional product designer, spent time with Trinity developing striking new jewelry pieces for an online collection.

**Comité Artisanal Haitien, Haiti** Professional product designer Colvin English spent time with CAH designing new collections of vetiver baskets and jewelry made out of locally-sourced materials, thanks to funding provided by Lutheran World Relief and individual donors.

**Manos Amigas, Peru** Catherine Merrick, a recent industrial design school graduate from the Pratt Institute in New York, spent more than three months volunteering with Manos Amigas to develop stunning new jewelry pieces, available in our upcoming Fall 2012 catalog.

## Total 2011 Purchases Listed by Country

### AFRICA

Ghana & Germany	\$855,937
Swaziland	\$81,978
Kenya	\$75,539
Uganda	\$29,903
Cameroon	\$26,967
Ghana	\$24,028
Rwanda	\$8,745
Mali	\$8,392
Madagascar	\$2,250

### MIDDLE EAST/EASTERN EUROPE

Israel	\$60,199
West Bank	\$47,671
Bosnia	\$2,520

### ASIA

India	\$521,053
Nepal	\$206,897
Vietnam	\$202,765
Indonesia	\$175,388
Bangladesh	\$146,150
Philippines	\$73,637
Pakistan	\$38,578
Cambodia	\$19,265
Sri Lanka	\$8,650
China	\$7,885
Thailand	\$6,016

### NORTH AMERICA

USA	\$125,188
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### LATIN AMERICA

Haiti	\$104,357
Peru	\$99,643
Chile	\$59,897
Mexico	\$21,789
Ecuador	\$18,099
Costa Rica	\$10,186
El Salvador	\$9,763
Guatemala	\$8,810
Honduras	\$8,425
Nicaragua	\$1,600
Argentina	\$1,050

Note: The amounts shown are the sums of spring and fall purchase orders and are not calendar-year based.

## Income Statement for 2011

### Revenue

Sales of fairly traded handcrafts & foods	\$8,409,020
Partial Reimbursement of Shipping Cost	632,042
Contributions	206,153
Other Non Operating Income	<u>50,076</u>

Gross Revenue	\$9,297,291
Credit card and bank fees	128,667
Payments to producers for goods sold	<u>3,268,759</u>
Net Revenue	\$5,899,865

### Expenses

Program salaries & benefits	\$1,811,023
Postage & outbound shipping costs	1,115,578
Payment of international shipping for producers	459,606
Promotion	425,256
Occupancy including warehouse rent	384,924
Program supplies	293,038
Consultants to assist producers/other services	149,861
Interest on advances to producers & inventory	180,215
Donations to partner organizations	107,294
Misc program expense	65,427
Volunteer expense/contract labor	57,959
Telephone	36,482
Travel	44,659
Grants to producers/producer development/ special projects	<u>54,951</u>

Subtotal Program Expense	\$5,186,273
Administrative & Fundraising	<u>\$618,235</u>
Total Program & Administrative Expense	\$5,804,508
Change in net assets	\$95,357

## Balance Sheet as of 12/31/11

### Assets

Cash and Cash Equivalents	\$1,578,895
Accounts Receivable	779,360
Allowance for Doubtful Accounts	(17,383)
Inventories	1,218,092
Reserve for Obsolete Inventory	(75,000)
Advances to Producer/Partners	225,670
Prepaid Supplies & Misc Accounts	201,039
Equipment & Leasehold Improvements	<u>72,672</u>
Total Assets	\$3,983,345

### Liabilities

Inventory Financing Payable	\$2,078,270
Accounts Payable	121,052
Accounts Payable Inventory	12,281
Payable to Partner Organizations	88,915
FASB 106 Obligation	21,982
Notes Payable	702,000
Misc Liabilities	<u>85,774</u>
Total Liabilities	\$3,110,274

Fund Balance	\$873,071
Total Liabilities and Net Assets	\$3,983,345

For a complete copy of our audited financial statements, please contact us at 410.635.8755 or email [controller@serrv.org](mailto:controller@serrv.org).

# Thank you!

We offer our gratitude to the following individuals and organizations who helped make 2011 a successful year.

**Artisan and Farmer Partners** We appreciate your resilience, creativity, and enthusiasm for fair trade.

**Customers** Thank you for your continued support of our organization and our partners, and for incorporating fair trade into your purchases, your businesses, and your mission.

**Investors** Thank you to the Shared Interest Society of the UK, Untours Foundation, the Calvert Foundation and all of our SERRV Loan Fund investors for your loans which support our fair trade work.

**Generous Contributors** We appreciate the generous support of all of our donors. Your support allows us to provide additional needed services to our artisan and farmer partners.

**Catholic Relief Services and Lutheran World Relief**  
Thank you for advocating for fair trade.

**Volunteers** Thanks to thousands of you for giving your time and dedication in our New Windsor and Madison facilities, at stores, and in churches across the country.

**Board of Directors and Staff** Thank you for the time, energy, enthusiasm and skill you bring to setting the course for the future.



## OUR MISSION

to eradicate poverty wherever it resides by providing opportunity and support to artisans and farmers worldwide

SERRV began working in 1949 to generate income for refugees in Europe after World War II.

For over 60 years, SERRV has supported more than 150 unique artisan and farmer groups, representing more than 100,000 individuals.

Today we work with 68 community-based organizations in 32 countries.

## 2011 Board of Directors

Marsha Hoover - Chair	Julie Danis
Ann Engelman - Vice Chair	William Gordon
Brad J Hamrlík - Treasurer	Kimberly Grimes
Pushpika Freitas - Secretary	Sally Keller
Lucas Caldeira	Tim McElwee
Colin Crawford	Robert Chase ( <i>non-voting member</i> )

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