

ECRA Publishing Ltd

Abbreviated Annual Review - March 2007

1. Directors' Review

Financial Performance at ECRA

Section 3 below shows audited profit and loss accounts for ECRA Publishing Ltd for the year to March 2006. In that year ECRA showed a profit of £25,925. This was brought about by strong sales across most of the co-operative's products and well-managed cost controls across the group.

Financial Performance at ECIS

ECRA Publishing currently retains 93.9% of the ordinary share capital of ECIS.

Section 3 below also shows audited profit and loss accounts for Ethical Consumer Information Systems Ltd for the year to March 2006. In that year ECIS posted a loss of £37,287. Although the loss for the year was worse than originally predicted, results at ECRA exceeded expectations and so, overall, the group position was within projected levels.

2. Product Areas

2.1 Core Research Criteria

Central to the last fifteen months has been a complete review of all our rating categories. Political concerns and notions of what constitutes corporate social responsibility change and develop over time. For the work of ECRA to remain relevant, we need to make sure that the principles around which we base our ratings calculations are at the cutting edge of campaign group thinking.

Following the review we have a range of re-designed rating categories which include:

Climate Change

Pollution and Toxics

Habitats and Resources

Animal Testing (now includes policy too)

Human Rights

Supply Chain Policy

Anti-Social Finance

This gives ECRA a sound basis upon which to develop all its ratings products for at least the next five years.

2.2 Ethical Consumer magazine

With a trend of falling subscriptions generally across the magazine sector, Ethical Consumer subscriptions have remained stable at around 6,500. We have completed a re-design incorporating full colour throughout the magazine for the first time in 17 years. Partly due to improvements in printing technology, we have been able to do this without increasing production costs. Ethical Consumer also sells increasingly through bookshops, and we plan to experiment with some news stand distribution later in 2007.

The magazine website at www.ethicalconsumer.org also underwent a re-design in February 2006 and the rebuilding of its e-commerce subscriptions facility.

2.3 Ethiscore website

Although the site has attracted around 1,500 subscribers since its launch, this remains below projected targets. A reader feedback facility and an annual campaign (on clothing in 2006) were

added to the site. Ethiscore was also networked across a few library regions in 2006. Affiliate marketing programs were less successful than planned and a range of further marketing innovations will be tested in 2007. The site however has steadily growing numbers of visitors and is very popular with users.

2.4 Corporate Critic Database

Income from Corporate Critic has remained static during this period, although the number of daily users is increasing steadily. Technical developments have included making more free data available, improving the interface and getting individual company ratings to appear in search engines.

Current projects include meeting the demand for networking Corporate Critic across some large NGOs. Further marketing and interface innovations are planned for 2007.

2.5 Commercial Research and Consultancy

Compensating for lack of significant sales growth at ECRA's websites has been a spectacular performance from consultancy in the last 12 months, attracting roughly twice the projected income. Key in this growth has been the ability to attract big projects to ECRA such as research for the Co-operative Bank's annual Ethical Consumerism Report, and international projects for mainstream consumers' associations across Europe.

2.6 Licensing

Also performing better than expected has been our ability to licence the reproduction of ethical consumer ratings to other websites and publications. A couple of significant projects in the UK and one in Hungary were developed in 2006. We have also worked with our solicitors to develop better intellectual property contracts. This has proved invaluable because we are currently in dispute over reproduction rights with one user already.

3. Profit and Loss Accounts for the Financial Year to March 31st 2006.

ECRA Publishing Ltd Audited profit and loss accounts	For the year to 31 March 2005	For the year to 31 March 2006
TURNOVER	206,222	200,083
COST OF SALES	(75,545)	(78,870)
GROSS PROFIT	130,677	121,933
ADMINISTRATIVE EXPENSES	(210,534)	(171,739)
OTHER OPERATING INCOME	97,808	75,504
OPERATING PROFIT/LOSS	17,951	25,698
INTEREST RECEIVABLE	6,190	5,298
INTEREST PAYABLE	(5,876)	(5,071)
PROFIT/LOSS FOR THE YEAR	18,265	25,925

ECIS Ltd Audited profit and loss accounts	For the year to 31 March 2005	For the year to 31 March 2006
TURNOVER & GROSS PROFIT/(LOSS)	20,733	62,094
ADMINISTRATIVE EXPENSES	(144,867)	(87,736)
OTHER OPERATING INCOME	-	-
OPERATING PROFIT/LOSS	(124,134)	(25,624)
INTEREST RECEIVABLE	759	461
INTEREST PAYABLE	(7,534)	(12,106)
PROFIT/LOSS FOR THE YEAR	(130,909)	(37,287)

4. ECRA Balance Sheet as at 31st March 2006

	2006	2005
Fixed Assets		
Tangible Assets	1,114	1,973
Investments	939	960
	2,053	2,933
Current Assets		
Stock	818	1,411
Debtors	152,034	123,069
Cash at Bank and in hand	81,288	73,046
Creditors: amounts falling due in less than one year	(97,608)	(87,799)
Net Current Assets	136,532	109,727
Total assets less current liabilities	138,585	112,660
Creditors: amounts falling due in more than one year	(90,000)	(90,000)
Net Assets	48,585	22,660
Capital and Reserves		
Accumulated Reserves	48,585	22,660