

**ETHICAL CONSUMER RESEARCH ASSOCIATION LIMITED
DIRECTORS' REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

Ethical Consumer Research Association Limited
Directors' Report and Financial Statements
For The Year Ended 31 March 2022

Contents

	Page
Society Information	1
Directors' Report	2—3
Accountant's Report	4
Revenue Account	5
Balance Sheet	6
Statement of Changes in Equity	7
Notes to the Financial Statements	8—12
The following pages do not form part of the statutory accounts:	
Detailed Revenue Account	13—14

Ethical Consumer Research Association Limited
Society Information
For The Year Ended 31 March 2022

Directors

Rob Harrison
Shaun Fensom
Tim Hunt
Dan Welch
Anna Clayton
Fiona Nicholls
Elizabeth Chater
Alex Crumbie
Ruth Strange

Secretary

Rob Harrison

Society Number

30575R

Registered Office

Unit 21, 41 Old Birley Street
Manchester
M15 5RF

Accountants

Third Sector Accountancy Limited
Chartered Accountants and Registered Auditors
Holyoake House
Hanover Street
Manchester
M60 0AS

Ethical Consumer Research Association Limited
Society No. 30575R
Directors' Report For The Year Ended 31 March 2022

The directors present their report and the financial statements for the year ended 31 March 2022.

Statement of Directors' Responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Society law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under society law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the society and of the profit or loss of the society for that period. In preparing the financial statements the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the society will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the society's transactions and disclose with reasonable accuracy at any time the financial position of the society and enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014. They are also responsible for safeguarding the assets of the society and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Review of Business

Financial performance:

In a year when the pandemic's impact began to ease, turnover at Ethical Consumer grew by an impressive 24% to £886,281.

On page five we can see that the co-operative made a profit of £28,599 during this period. If we subtract from this figure the £17,028 of interest paid on members' shares that can be found on page 7, we get to a revised profit figure of £11,571 which is more consistent with our long standing reporting history. This is still a good result in turbulent times.

Subscriptions are at their highest ever level and our consultancy order books are full. Concern around environmental and social issues remains high amongst business and consumers and, although we are growing, we are experiencing increasing competition as more organisations look to provide advice and information in this space.

Growing at this speed, and learning how to do this when the majority of our staff are now working remotely, has been hard work for the team. We are also at a point where the size of the team means that we have needed to begin building new management structures within the co-operative to function well amid all this complexity.

This year, we have also developed a new five year plan which begins with a couple of years of planned deficits in the years to March 2023 and 2024. This will occur because we are choosing to make the investments in new people that we think we need to grow and develop during this period. We believe that this will help us to continue to lead the narrative on ethical society choices in the fast changing environment around us.

More information about our five year plan is available in the Abbreviated Annual review 2022 available on the members area of our website at: www.ethicalconsumer.org/about-us/members-area

Balance Sheet and Members Share Capital:

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Ethical Consumer Research Association Limited
Directors' Report (continued)
For The Year Ended 31 March 2022

Review of Business - continued

At the year end, our Net Assets had risen from £381,659 in 2021 to £387,941 this year. Net Current Assets were also up at £241,119.

During the year investor share capital fell slightly to £530,940 as withdrawals exceeded new investment by a small degree. Share capital was used during the year to further develop the software behind our ethical ranking database and on the websites that consumers use to access it.

Directors

The directors who held office during the year were as follows:

Rob Harrison
Shaun Fensom
Tim Hunt
Dan Welch
Anna Clayton
Fiona Nicholls
Elizabeth Chater
Alex Crumbie
Ruth Strange

APPOINTED

05/10/2021

Ethical Consumer Research Association Limited
Accountant's Report
For The Year Ended 31 March 2022

Chartered Accountant's report to the directors on the preparation of the unaudited statutory accounts of Ethical Consumer Research Association Limited for the year ended 31 March 2022

In order to assist you to fulfil your duties under the Co-operative and Community Benefit Societies Act 2014, I have prepared for your approval the accounts of Ethical Consumer Research Association Limited for the year ended 31 March 2022 which comprise the Revenue Account, the Balance Sheet and the related notes from the society's accounting records and from information and explanations you have given to us.

As a practising member of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/en/membership/regulations-standards-and-guidance>.

This report is made solely to the directors of Ethical Consumer Research Association Limited, as a body, in accordance with the terms of our engagement letter dated 24 October 2018. Our work has been undertaken solely to prepare for your approval the accounts of Ethical Consumer Research Association Limited and state those matters that we have agreed to state to the directors of Ethical Consumer Research Association Limited, as a body, in this report in accordance with ICAEW Technical Release 07/16 AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Ethical Consumer Research Association Limited and its directors, as a body, for our work or for this report.

It is your duty to ensure that Ethical Consumer Research Association Limited has kept adequate accounting records and to prepare statutory accounts that give a true and fair view of the assets, liabilities, financial position and profit or loss of Ethical Consumer Research Association Limited. You consider that Ethical Consumer Research Association Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit of the accounts of Ethical Consumer Research Association Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the financial statements.

Signed

Third Sector Accountancy Limited

Date 05 / 09 / 2022

Third Sector Accountancy Limited
Chartered Accountants and Registered Auditors
Holyoake House
Hanover Street
Manchester
M60 0AS

Ethical Consumer Research Association Limited
Revenue Account
For The Year Ended 31 March 2022

	Notes	2022 £	2021 £
TURNOVER		886,281	707,434
Cost of sales		(315,943)	(233,338)
GROSS PROFIT		570,338	474,096
Administrative expenses		(543,993)	(433,339)
Other operating income		106	190
OPERATING PROFIT		26,451	40,947
Other interest receivable and similar income		2,148	339
PROFIT FOR THE FINANCIAL YEAR		28,599	41,286

The notes on pages 8 to 12 form part of these financial statements.

Ethical Consumer Research Association Limited
Balance Sheet
As at 31 March 2022

	Notes	2022 £	2021 £
FIXED ASSETS			
Intangible Assets	4	108,053	121,018
Tangible Assets	5	7,847	5,157
Investments	6	30,922	29,228
		146,822	155,403
CURRENT ASSETS			
Stocks	7	500	500
Debtors	8	56,323	136,476
Cash at bank and in hand		474,369	379,303
		531,192	516,279
Creditors: Amounts Falling Due Within One Year	9	(290,073)	(290,023)
NET CURRENT ASSETS (LIABILITIES)		241,119	226,256
TOTAL ASSETS LESS CURRENT LIABILITIES		387,941	381,659
NET ASSETS		387,941	381,659
CAPITAL AND RESERVES			
Called up share capital	10	530,940	536,119
Revenue Account		(142,999)	(154,460)
SHAREHOLDERS' FUNDS		387,941	381,659

The notes on pages 8 to 12 form part of these financial statements.


For the year ending 31 March 2022 the society was entitled to disapply the requirement to have its financial statements for the financial year audited. The members passed a resolution in general meeting to disapply the audit requirement, as required by S84(2) Co-operative and Community Benefit Societies Act 2014.

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

Approved by the members on 02 / 09 / 2022 and signed on their behalf by:


 (Elizabeth Chater, Director)


 (Alex Crumbie, Director)


 (Rob Harrison, Secretary)

Ethical Consumer Research Association Limited
Statement of Changes in Equity
For The Year Ended 31 March 2022

	Share Capital	Revenue Account	Total
	£	£	£
As at 1 April 2020	536,112	(178,718)	357,394
Profit for the year and total comprehensive income	-	41,286	41,286
Interest paid on members' shares	-	(17,028)	(17,028)
New shares issued to members	57,670	-	57,670
Members' shares redeemed	(57,663)	-	(57,663)
As at 31 March 2021 and 1 April 2021	536,119	(154,460)	381,659
Profit for the year and total comprehensive income	-	28,599	28,599
Interest paid on members' shares	-	(17,138)	(17,138)
New shares issued to members	70,485	-	70,485
Members' shares redeemed	(75,662)	-	(75,662)
As at 31 March 2022	530,940	(142,999)	387,941

Interest on society shares is required by Financial Reporting Standard 102 to be included in the statement of equity rather than in the Revenue account. However, this interest is not a distribution of profit but a cost of capital and an expense of the business, and remains tax-deductible.

1. Accounting Policies

1.1. Basis of Preparation of Financial Statements

The financial statements are prepared under the historical cost convention and in accordance with the FRS 102 Section 1A Small Entities - The Financial Reporting Standard applicable in the UK and Republic of Ireland and the Co-operative and Community Benefit Societies Act 2014.

1.2. Turnover

Turnover is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes. Turnover includes revenue earned from the sale of goods and from the rendering of services. Turnover is reduced for estimated customer returns, rebates and other similar allowances.

Sale of goods

Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods has transferred to the buyer. This is usually at the point that the customer has signed for the delivery of the goods.

Rendering of services

Turnover from the rendering of services is recognised by reference to the stage of completion of the contract. The stage of completion of a contract is measured by comparing the costs incurred for work performed to date to the total estimated contract costs. Turnover is only recognised to the extent of recoverable expenses when the outcome of a contract cannot be estimated reliably.

1.3. Intangible Fixed Assets and Amortisation - Other Intangible

Other intangible assets include the customer and reference databases used by the society, and the website. The databases are fully amortised, and the website is amortised to Revenue account over its estimated economic life of seven years.

1.4. Tangible Fixed Assets and Depreciation

Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is provided at rates calculated to write off the cost of the fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Computer Equipment	25% per annum straight line
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1.5. Stocks and Work in Progress

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads. Work-in-progress is reflected in the accounts on a contract by contract basis by recording turnover and related costs as contract activity progresses.

1.6. Foreign Currencies

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

Ethical Consumer Research Association Limited
Notes to the Financial Statements (continued)
For The Year Ended 31 March 2022

2. Average Number of Employees

Average number of employees, including directors, during the year was: 20 (2021: 17)

3. Tax on Profit

	2022	2021
	£	£
UK Corporation Tax	-	-
	<u>2022</u>	<u>2021</u>
	<u>£</u>	<u>£</u>
Profit before tax	28,599	41,286
Breakdown of Tax Charge is:		
Tax on profit at 9% (UK standard rate)	5,434	7,844
Goodwill/depreciation not allowed for tax	5,610	4,826
Expenses not deductible for tax purposes	-	34
Capital allowances	(4,796)	(4,107)
Interest on members' shares	(3,256)	(3,235)
Tax losses for which no deferred tax was recognised	(2,992)	(5,362)
Total tax charge for the period	<u>-</u>	<u>-</u>

The company had trading losses brought forward of £26,723 due to historic losses pre 01/04/2017, and £111,166 losses brought forward for the period post 01/04/17. The society made a tax profit in the year of £13,597, after deducting the share interest paid and the capital allowances. Pre 01/04/17 trading losses carried forward at 31 March 2022 were £13,126, and post 01/04/17 trading losses £109,019.

In addition, the company has trading losses available of £173,060 which were transferred from its subsidiary Ethical Consumer Information Services Ltd ("ECIS") when the entire trade and assets of that company were transferred to the holding company in 2008. HM Revenue and Customs have agreed that if the company makes a taxable profit after using up its own losses, it can offset the ECIS losses against 50% of those profits.

Ethical Consumer Research Association Limited
Notes to the Financial Statements (continued)
For The Year Ended 31 March 2022

4. Intangible Assets

	Database software £	Website development £	Total £
Cost			
As at 1 April 2021	39,811	234,436	274,247
Additions	-	12,826	12,826
As at 31 March 2022	<u>39,811</u>	<u>247,262</u>	<u>287,073</u>
Amortisation			
As at 1 April 2021	19,635	133,594	153,229
Provided during the period	3,466	22,325	25,791
As at 31 March 2022	<u>23,101</u>	<u>155,919</u>	<u>179,020</u>
Net Book Value			
As at 31 March 2022	<u>16,710</u>	<u>91,343</u>	<u>108,053</u>
As at 1 April 2021	<u>20,176</u>	<u>100,842</u>	<u>121,018</u>

5. Tangible Assets

	Computer Equipment £
Cost	
As at 1 April 2021	35,023
Additions	6,424
Disposals	(2,747)
As at 31 March 2022	<u>38,700</u>
Depreciation	
As at 1 April 2021	29,866
Provided during the period	3,734
Disposals	(2,747)
As at 31 March 2022	<u>30,853</u>
Net Book Value	
As at 31 March 2022	<u>7,847</u>
As at 1 April 2021	<u>5,157</u>

Ethical Consumer Research Association Limited
Notes to the Financial Statements (continued)
For The Year Ended 31 March 2022

6. Investments

	Unlisted £
Cost	
As at 1 April 2021	29,228
Additions	1,694
As at 31 March 2022	<u>30,922</u>
Provision	
As at 1 April 2021	-
As at 31 March 2022	<u>-</u>
Net Book Value	
As at 31 March 2022	<u>30,922</u>
As at 1 April 2021	<u>29,228</u>

7. Stocks

	2022 £	2021 £
Stock - finished goods	500	500
	<u>500</u>	<u>500</u>

8. Debtors

	2022 £	2021 £
Due within one year		
Trade debtors	34,433	118,612
Prepayments and accrued income	-	17,680
Other debtors	13,873	184
Staff loans	8,017	-
	<u>56,323</u>	<u>136,476</u>

Ethical Consumer Research Association Limited
Notes to the Financial Statements (continued)
For The Year Ended 31 March 2022

9. Creditors: Amounts Falling Due Within One Year

	2022	2021
	£	£
Trade creditors	11,410	10,052
Other taxes and social security	21,977	22,778
Other creditors	4,661	735
Accruals and deferred income	239,748	224,846
Other grants	12,277	31,612
	<u>290,073</u>	<u>290,023</u>

10. Share Capital

	2022	2021
Members' shares	530,940	536,119
	<u>530,940</u>	<u>536,119</u>

11. General Information

Ethical Consumer Research Association Limited is a registered community benefit society, limited by shares, incorporated in England & Wales, registered number 30575R . The registered office is Unit 21, 41 Old Birley Street, Manchester, M15 5RF.