

Registered number: 30575R

ETHICAL CONSUMER RESEARCH ASSOCIATION LIMITED
DIRECTORS' REPORT AND
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

Third Sector Accountancy Limited

**Ethical Consumer Research Association Limited
Directors' Report and Unaudited Financial Statements
For The Year Ended 31 March 2020**

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Ethical Consumer Research Association Limited
Society Information
For The Year Ended 31 March 2020

Directors

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

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

The directors present their report and the financial statements for the year ended 31 March 2020.

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

In the year to March 2020 ECRA made a profit of £15,881 on a turnover of £693,802. This is a much improved performance on the loss last year of £40,029 and was a result of strong growth both of magazine subscriptions sales as well as in demand for its consulting services.

The final results stated in this way combines the £32,498 profit for the financial year on page 5 with the £16,962 in interest paid to shareholders on page 5 and is more consistent with our long-standing reporting history.

The profit would have been larger had the coronavirus pandemic not struck right at the year and prevented us from supplying the usual six magazine issues in the financial year in question. We plan to get back into our usual production cycle during the course of the current year.

Highlights of the year

- Our print magazine, Ethical Consumer, underwent a successful redesign in time for our 180th issue and 30th birthday in September.
- The success of the new website has helped magazine to breach the 10,000 subscriptions barrier for the first time.
- We have grown our range of consultancy clients significantly over the last year as part of a goal to not be too dependent on any one customer.
- We held our most successful conference yet in October on "how consumers, businesses and campaigners can work together to help tackle climate change and environmental breakdown."
- Our Corporate Research Database, used by charities to screen their commercial partnerships, was also redesigned and was successfully rolled out to existing users in February 2020.
- Our Best Buy logo licensing program also performed better than expected with at 25% increase in revenue.

The COVID 19 Pandemic

Like most businesses, ECRA began working remotely following the lockdown which began on March 23rd. As explained above, we had been experiencing strong business growth prior to that point, but since then have seen some disruption to the consultancy side of the business.

We implemented a number of measures, such as making use of government assistance schemes for two of our seventeen staff, and voluntary reductions in staff hours. We have also been adapting our research and content for the world in which we now find ourselves. The publishing side of the business remains strong and we continue to see a growing subscriber list.

It is currently very difficult to predict forward financial pictures for all businesses at this time and, to be cautious, we are now projecting a loss for the current financial year. The long-term prognosis however looks good and we expect to weather the storm successfully.

Ethical Consumer Research Association Limited
Directors' Report (continued)
For The Year Ended 31 March 2020

Other changes to note

(a) We are changing the way we account for deferred subscription income to more accurately reflect the digital element of the subscription offering.

(b) We are changing the period over which we are depreciating the cost of building our new websites from five years to seven.

(c) During the year share capital increased from £525,368 to £536,110 with £5,415 being withdrawn during the period and £16,157 of new investment attracted.

Directors

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

Fiona Nicholls

Anna Clayton

Sam Kimmins

RESIGNED

06/06/2019

Dan Welch

Tim Hunt

Joanna Long

RESIGNED

19/12/2019

Shaun Fensom

Jane Turner

RESIGNED

05/11/2019

Elizabeth Chater

APPOINTED

05/11/2019

Alex Crumbie

APPOINTED

14/01/2020

Rob Harrison

On behalf of the board

Rob Harrison

Date

Ethical Consumer Research Association Limited
Accountant's Report
For The Year Ended 31 March 2020

Chartered Accountant's report to the directors on the preparation of the unaudited statutory accounts of for the Year Ended 31 March 2020

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 For The Year Ended 31 March 2020 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 and state those matters that we have agreed to state to the directors of , 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 and its directors, as a body, for our work or for this report.

It is your duty to ensure that 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 the society. You consider that is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit of the accounts of the society. 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.

Date.....

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 2020

	Notes	2020 £	2019 £
TURNOVER		693,245	718,126
Cost of sales		(239,655)	(328,328)
GROSS PROFIT		453,590	389,798
Administrative expenses		(422,669)	(417,867)
Other operating income		712	-
OPERATING PROFIT/(LOSS)		31,290	(28,069)
Other interest receivable and similar income		1,208	3,453
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		32,841	(24,616)

The notes on pages 10 to 14 form part of these financial statements.

Ethical Consumer Research Association Limited
Balance Sheet
As at 31 March 2020

		2020		2019	
	Notes	£	£	£	£
FIXED ASSETS					
Intangible Assets	4		126,981		109,879
Tangible Assets	5		5,265		9,747
Investments	6		29,228		28,885
			161,474		148,511
CURRENT ASSETS					
Stocks	7	500		500	
Debtors	8	123,497		55,300	
Cash at bank and in hand		303,859		307,497	
			427,856		363,297
Creditors: Amounts Falling Due Within One Year	9		(231,938)		(181,037)
			195,918		182,260
NET CURRENT ASSETS (LIABILITIES)					
			357,392		330,771
TOTAL ASSETS LESS CURRENT LIABILITIES					
			357,392		330,771
NET ASSETS					
CAPITAL AND RESERVES					
Called up share capital	10		536,110		525,368
Share premium account			16,157		
Capital redemption reserve			(5,415)		
Revenue Account			(178,718)		(194,597)
			357,392		330,771
SHAREHOLDERS' FUNDS					
			357,392		330,771

The notes on pages 10 to 14 form part of these financial statements.

Ethical Consumer Research Association Limited
Balance Sheet
As at 31 March 2020

For the year ending 31st March 2020 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 board/management committee/members on _____ and signed on their behalf by:

(Elizabeth Chater, Director)

(Tim Hunt, Director)

(Rob Harrison, Secretary)

Ethical Consumer Research Association Limited
Statement of Changes in Equity
For The Year Ended 31 March 2020

	Share Capital	Revenue Account	Total
	£	£	£
As at 1 April 2018	498,501	(154,568)	343,933
Loss for the year and total comprehensive income	-	(24,616)	(24,616)
Interest paid on members' shares	-	(15,413)	(15,413)
Members' shares issued	48,778	-	48,778
Members' shares redeemed	(21,911)	-	(21,911)
As at 31 March 2019 and 1 April 2019	525,368	(194,597)	330,771
Profit for the year and total comprehensive income	-	32,841	32,841
Interest paid on members' shares	-	(16,962)	(16,962)
Arising on shares issued during the period	16157		16157
Share capital reduction	(5415)		(5415)
As at 31 March 2020	536,110	(179,061)	357,392

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 five 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 and office equipment: 3 to 5 years straight line

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.

2. Average Number of Employees

Average number of employees, including directors, during the year was: 16 (2019: 15)

Ethical Consumer Research Association Limited
Notes to the Financial Statements (continued)
For The Year Ended 31 March 2020

3. Tax on Profit

	2020	2019
	£	£
UK Corporation Tax	-	-
	<hr/>	<hr/>
	2020	2019
	£	£
Profit before tax	32,498	(24,616)
	<hr/>	<hr/>
Breakdown of Tax Charge is:		
Tax on profit at 0% (UK standard rate)	-	-
Goodwill/depreciation not allowed for tax	-	3,357
Capital allowances	-	(3,357)
	<hr/>	<hr/>
Total tax charge for the period	-	-
	<hr/>	<hr/>

The society has trading losses brought forward of £57,299, due to historic losses. The society made a tax profit in the year of £19,928, after deducting the share interest paid and the capital allowances. Trading losses carried forward at 31 March 2020 were £38,579.

In addition, the society 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 society were transferred to the holding society in 2008. HM Revenue and Customs have agreed that if the society 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 2020

4. Intangible Assets

	Other £	Development Costs £	Total £
Cost			
As at 1 April 2019	19,019	202,497	221,516
Additions	-	36,759	36,759
As at 31 March 2020	19,019	239,256	258,275
Amortisation			
As at 1 April 2019	19,019	92,618	111,637
Provided during the period	-	19,657	19,657
As at 31 March 2020	19,019	112,275	131,294
Net Book Value			
As at 31 March 2020	-	126,981	126,981
As at 1 April 2019	-	109,879	109,879

5. Tangible Assets

	Computer Equipment £
Cost	
As at 1 April 2019	57,740
Additions	612
As at 31 March 2020	58,352
Depreciation	
As at 1 April 2019	47,993
Provided during the period	5,094
As at 31 March 2020	53,087
Net Book Value	
As at 31 March 2020	5,265
As at 1 April 2019	9,747

Ethical Consumer Research Association Limited
Notes to the Financial Statements (continued)
For The Year Ended 31 March 2020

6. Investments

	Unlisted	£
Cost		
As at 1 April 2019		28,885
		<hr/>
As at 31 March 2020		28,885
		<hr/>
Provision		
As at 1 April 2019		-
		<hr/>
As at 31 March 2020		-
		<hr/> <hr/>
Net Book Value		
As at 31 March 2020		28,885
		<hr/>
As at 1 April 2019		28,885
		<hr/>

7. Stocks

	2020	2019
	£	£
Stock - finished goods	500	500
	<hr/>	<hr/>
	500	500
	<hr/>	<hr/>

8. Debtors

	2020	2019
	£	£
Due within one year		
Trade debtors	107,259	36,391
Other debtors	8,335	17,757
Staff loans	7,903	1,152
	<hr/>	<hr/>
	123,497	55,300
	<hr/>	<hr/>

Ethical Consumer Research Association Limited
Notes to the Financial Statements (continued)
For The Year Ended 31 March 2020

9. Creditors: Amounts Falling Due Within One Year

	2020	2019
	£	£
Trade creditors	15,261	14,973
Other taxes and social security	3,783	-
VAT	37,093	27,091
Other creditors	1,634	-
Accruals and deferred income	174,167	138,973
	<hr/>	<hr/>
	231,938	181,037
	<hr/>	<hr/>

10. Share Capital

	2020	2019
Members' shares	536,110	525,368
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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.