In 2022 we came to the conclusion that we were in a ‘mega-trend’ of rising interest in ethical consumption. We felt that it made sense for ECRA to make investments to grow and develop to meet both this rising demand and rising competition, even if it meant a couple of years of planned deficits. We therefore created a 2022-2027 ‘five year financial plan’ to show how this would work which we shared with investors in our annual review of July 2022.

The investments mainly took the form of recruiting three new researchers and additional marketing and consultancy staff.

In the financial year to March 31st 2023 (the first year of this new plan) we made a loss of £31,258. This was slightly better than predicted in the plan, which had estimated the likely loss (because of these investments in new staff) in that year to be £36,739.

We were pleased with this result, but noted a downward trend in publishing income which has led us to reformulate our five year plan somewhat. More information about this appears in Section 3 below.

Our investors and interest rate

During the year investor share capital grew slightly to £568,538 with new investors members joining the co-operative.

Share capital played an important role in the year allowing us to make the investments in new staff mentioned above.

The Board is agreed that the current rate of interest (3.25%) should continue in the medium term though it notes the wider environment of rising interest rates and inflation elsewhere.

We have had a policy of holding rates steady until now, and the rate of 3.25% has not changed since August 2013.

We are however planning to put the interest rate as a discussion item on our AGM agenda this year because it is important for us to understand how investors feel about this too. Do please come along, or contact us separately if you have comments you’d like to make in the interim.
2. The Financial Years to March 31st 2022 and March 31st 2023

Ethical Consumer Research Association Ltd
Profit and loss accounts

<table>
<thead>
<tr>
<th></th>
<th>For year to 31 March 2022</th>
<th>For year to 31 March 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TURNOVER</strong></td>
<td>886,281</td>
<td>901,861</td>
</tr>
<tr>
<td><strong>COST OF SALES</strong></td>
<td>(315,943)</td>
<td>(330,935)</td>
</tr>
<tr>
<td><strong>GROSS PROFIT</strong></td>
<td>570,338</td>
<td>570,926</td>
</tr>
<tr>
<td><strong>ADMINISTRATIVE EXPENSES</strong></td>
<td>(543,886)</td>
<td>(586,039)</td>
</tr>
<tr>
<td><strong>OPERATING PROFIT/LOSS</strong></td>
<td>26,452</td>
<td>(15,113)</td>
</tr>
<tr>
<td><strong>INTEREST RECEIVABLE</strong></td>
<td>2,148</td>
<td>2,131</td>
</tr>
<tr>
<td><strong>INTEREST PAYABLE</strong></td>
<td>(17,138)</td>
<td>(18,276)</td>
</tr>
<tr>
<td><strong>TAX ON PROFIT ON ORDINARY ACTIVITIES</strong></td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>PROFIT/LOSS FOR THE YEAR</strong></td>
<td>11,462</td>
<td>(31,258)</td>
</tr>
</tbody>
</table>

Ethical Consumer Research Association Ltd
Balance Sheet

<table>
<thead>
<tr>
<th></th>
<th>As at 31 March 2022</th>
<th>As at 31 March 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fixed assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intangible Assets</td>
<td>108,053</td>
<td>89,630</td>
</tr>
<tr>
<td>Tangible assets</td>
<td>7,847</td>
<td>5,662</td>
</tr>
<tr>
<td>Investments</td>
<td>30,922</td>
<td>31,193</td>
</tr>
<tr>
<td>Subtotal</td>
<td>146,822</td>
<td>126,485</td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stock</td>
<td>500</td>
<td>500</td>
</tr>
<tr>
<td>Debtors</td>
<td>56,324</td>
<td>113,310</td>
</tr>
<tr>
<td>Cash at bank and in hand</td>
<td>474,369</td>
<td>595,687</td>
</tr>
<tr>
<td>Subtotal</td>
<td>531,193</td>
<td>709,497</td>
</tr>
<tr>
<td>Creditors: amounts falling due in less than one year</td>
<td>(290,073)</td>
<td>(441,700)</td>
</tr>
<tr>
<td><strong>Net current assets/(liabilities)</strong></td>
<td>241,120</td>
<td>267,797</td>
</tr>
<tr>
<td><strong>Net assets/(liabilities)</strong></td>
<td>387,942</td>
<td>394,282</td>
</tr>
<tr>
<td>Share Capital</td>
<td>530,940</td>
<td>568,538</td>
</tr>
<tr>
<td>Accumulated Reserves</td>
<td>(142,998)</td>
<td>(174,256)</td>
</tr>
<tr>
<td>Shareholders Funds</td>
<td>387,942</td>
<td>394,282</td>
</tr>
</tbody>
</table>
3. The Ethical Consumer Five Year Plan 2022-27

As we mentioned above, despite the better than expected performance last year, the underlying performance of the publishing business took a downward turn. The key events included a series of changes to Google's search algorithm which reduced our reach (and that of many other mainstream publishers) significantly. We also faced, as expected, rising competition for search terms. The rising costs and falling sales that many businesses are experiencing in the current economic downturn did not help either.

Because of this we have needed to re-balance the five year plan a little, away from the consumer publishing side. We have agreed some new innovations and focus areas for our resources which are less reliant on google. These include:

(a) Extending the availability of our ‘Best Buy’ label to products which are not formally reviewed as part of a buyers’ guide. We would still evaluate and score businesses against our usual ethical criteria. This is planned for launch in October.
(b) Our Corporate Research Database which is designed to meet the demand of charities who want to screen their corporate partners and supply chains. A new and improved product, which we have been working on since December 2022, should be available for ‘relaunch’ in September.
[c] Our growing band of ‘institutional subscribers’ to the magazine which include universities, charities, and companies. The consequence of these changes mean that our forecast loss for the coming 2023/4 financial year is now £55,594. This is larger than that predicted in last year’s 2022 to 2027 plan, but longer term projections still show the co-operative able to return to surplus in the 2024/5 financial year and beyond.

We continue to hold £394,282 of net assets and substantial cash at bank to help us make these kind of investments without any short term risks to the business.

We do therefore hope that most of our investors will be able to keep their capital with ECRA during this period.

The revised 2022 to 2027 five year plan

<table>
<thead>
<tr>
<th></th>
<th>2022/23 actuals</th>
<th>2023/4 projections</th>
<th>2024/5 projections</th>
<th>2025/6 projections</th>
<th>2026/27 projections</th>
</tr>
</thead>
<tbody>
<tr>
<td>PROFIT/LOSS</td>
<td>-31,258</td>
<td>-55,594</td>
<td>2,872</td>
<td>15,841</td>
<td>74,733</td>
</tr>
</tbody>
</table>

At the core of the original plan was a root and branch review of our approach to ranking companies in our guides. As the Review put it we planned “to refine and optimise the ranking approach in our buyers guides to improve its communicability and uptake.”

We have made good progress on this and have published our first trial of this approach in a new-look furniture guide in EC 203 (July 2023). Although it still requires more refinement, we have been pleasantly surprised by how warmly received it has been with readers.

A key goal of this approach is also to make for more efficient use of our researchers’ time, and thus improve productivity. It is currently due for roll out in January 2024 and we are excited by the opportunities for growth that we think it will open up.

4. Highlights from the year

Campaigns

This year saw the Spain Campaign team publish Produce of Exploitation: UK Supermarkets and Migrant Labour in Southern Spain, an in-depth report on the situation faced by migrant workers in Almeria and Huelva, and the failure of supermarkets to uphold basic workers’ rights. The report received international recognition, and was covered by the likes of the Guardian, El Pais, and Al Jazeera.

Our Amazon campaign continues. We surveyed readers for their experiences of boycotting Amazon, and published the first account in EC203. We are getting ready to launch ‘Amazon-free August’, where we will ask readers to pledge not to use Amazon for the month of August.

Consultancy

There continues to be high demand for Ethical Consumer’s consultancy services. Lush remains a valued partner, and this year saw the success of several recurring projects: the Lush Prize, Lush Spring Prize, and the annual audit of Lush’s supply chain.

We obtained a grant from Friends Provident Foundation for a new, bespoke Fossil Free Funds research project, which assessed the extent to which UK-domiciled funds were moving away from fossil fuels.

Demand for our Company Screening services continues to remain high and we’ve gained new clients and partners. We have also seen a steady stream of subscribers to our Corporate Research Database (CRD). We predict the number of subscribers to increase in the coming years, following software developments to the CRD which are due to be implemented in this calendar year.
Research

The most exciting news this year is that we have taken important steps towards reshaping our ethical rating system. For some time a dedicated team of researchers have been exploring how we can improve on our old rating system, and in EC203 we published a guide to furniture, asking readers for feedback. At the time of writing, the response from readers has been overwhelmingly positive.

Personnel

This year we engaged with People’s Support Co-op (PSC). They have supported our internal Personnel Team, helped us update our governance handbook and reviewed our work contracts with non-member employees and freelancers. In the coming year PSC will aid us with the proposed restructure of our co-operative, which aims to address the challenges of being a medium size co-op (we are now at 21 members).

5. Virtual AGM, 21 September 2023

Our Annual General Meetings are one of the main opportunities during the year when we can meet with investors and share ideas and plans.

As last year, we will be holding the event remotely by zoom. We do hope you will be able to attend. If you would like to, please email finance@ethicalconsumer.org to add your name to the list. We will then send a link to register on zoom.

We will also send a formal invitation with papers by email closer to the event.

6. Our annual conference, London, 9 Nov 2023

We are planning a one day event on Thursday November 9th at ‘Rich Mix’ in London. The theme for the day, and the whole of Ethical Consumer week is "What role can consumer activism play in creating thriving communities?"

Topics we’ll be exploring include:

- Global and local supply chains and community activism around them
- Renewable energy
- Ethical finance and how communities can raise capital for projects
- Sustainable food
- Regenerative enterprise and economies
- Challenging corporate power
- Researching corporate ethics and more...

More information appears on our special conference website here: https://www.conference.ethicalconsumer.org
7. Board of Directors and Elections

In May 2022 the Directors were:

- **5 worker directors** (elected by the staff)
  - Anna Clayton
  - Rob Harrison
  - Jasmine Owens
  - Billy Saundry
  - Francesca de la Torre

- **2 non-executive directors** (appointed by the board)
  - Shaun Fensom
  - (Vacant)

- **2 investor member directors** (elected by the members)
  - Dan Welch
  - Tim Hunt

**Investor-Member Director elections**

Our investor members hold the post for two years and, as there was an election prior to the 2022 AGM, there is no election this year.

If you are interested in finding out more about standing as an investor director in future years, or about our non-executive role, we would be interested to hear from you. You can email Liz at elizabeth@ethicalconsumer.org and there is also more information on our website about our current directors at: www.ethicalconsumer.org/about-us/board-directors

8. Tax on interest accrued on your shareholding

When ECRA converted to an Industrial and Provident Society in October 2008, we were no longer permitted by law to deduct tax from interest accrued in shares. Investors may therefore need to do this in their own tax returns.

We are however required to send Revenue and Customs a list of all the names and addresses of investor members who have earned interest of more than £200 on their holdings in the preceding period. Most of our investors do not fall into this bracket.

9. Forms for increasing, reducing or converting your investment

- If you are already a member and would like to invest further money in ECRA, please fill in Form A below. Shares currently attract interest at 3.25%. Alternatively you may send an email to finance@ethicalconsumer.org using the same wording as the form if you wish to invest by bank transfer.

- If you are a shareholder and you would like to reclaim some or all of your investment, please fill in Form B below. Alternatively you may send an email to finance@ethicalconsumer.org using the same wording as the form.

- If you wish to become a new investor you will need to fill in the new member application form at Form C below. Shares attract interest at (currently) 3.25% and have additional member benefits.

**Code of Practice**

ECRA, unlike banks and building societies, is not subject to prudential supervision by the Financial Conduct Authority. Ethical Consumer abides by a code of practice which requires it to provide a statement to its shareholders on the nature of their investment and any change affecting it.

The position you occupy as a shareholder of ECRA is no different from that of a shareholder in any other corporate body in the sense that, if ECRA fails, you may not have all, or any of your investment returned to you.

Your liability, however, does not extend beyond your own investment. Your investment is withdrawable without penalty.

If you have any questions regarding the code, please address them to: The Secretary, ECRA, Unit 21, 41 Old Birley St, Manchester, M15 5RF. Please contact Ethical Consumer for more information where required on 0161 226 2929.

Thank you for investing in Ethical Consumer Research Association Limited.
FORM A

SHARE ACCOUNT INVESTMENT

Members of Ethical Consumer Research Association Ltd are advised that investments can be made by cheque or bank transfer (details below). Please use your name as a reference.

I wish to invest a further: £

Amount in words: ______________________________________________________________________

I wish to pay by:

☐ Cheque (enclosed, made payable to Ethical Consumer)

☐ Bank transfer (Sort code: 08-90-00 Account number: 70923146)

Title: Mr | Mrs | Miss | Ms | Other ___________ (please delete)

Name(s): __________________________________________________________________________

Address: ___________________________________________________________________________

Postcode: ______________

Signature: __________________________________________

Date: __________________

Please sign and return this form to:
Ethical Consumer Research Association Ltd, Unit 21 41 Old Birley Street, Manchester, M15 5RF.
Please contact Ethical Consumer for more information where required on 0161 226 2929.
FORM B
SHARE ACCOUNT WITHDRAWAL

I wish to withdraw/be repaid: £ ____________
Amount in words: ____________________________________________

Title: Mr | Mrs | Miss | Ms | Other ___________ (please delete)
Name(s): ______________________________________________________
Address: ______________________________________________________
Postcode: ______________

Signature: ____________________________________________________
Date: ________________

Please sign and return this form to:
Ethical Consumer Research Association Ltd, Unit 21 Old Birley Street, Manchester, M15 5RF.
Please contact Ethical Consumer for more information where required on 0161 226 2929.
FORM C

NEW MEMBER APPLICATION

I wish to apply for membership of Ethical Consumer Research Association Ltd. I confirm that I agree to be bound by the rules of the co-operative. Investments can be made by cheque or bank transfer Please use your name as a reference.

I wish to invest: £ ______________
Amount in words: ____________________________________________

I wish to pay by:
☐ Cheque (enclosed, made payable to Ethical Consumer)
☐ Bank transfer (Sort code: 08-90-00 Account number: 70923146)

Title: Mr | Mrs | Miss | Ms | Other ______________ (please delete)

Name(s): ____________________________________________

Address: ____________________________________________
________________________________________

Postcode: ______________

Signature: ____________________________________________

Date: ______________

Please sign and return this form to:
Ethical Consumer Research Association Ltd, Unit 21 41 Old Birley Street, Manchester, M15 5RF.
Please contact Ethical Consumer for more information where required on 0161 226 2929.

The Society’s rules are available to download on the Ethical Consumer website at www.ethicalconsumer.org/aboutus/membersarea/uniquestructure.aspx