

Ethical Consumer Research Association

DRAFT MINUTES

from the Annual General Meeting

held on Saturday 22nd September at 2pm at Friends Meeting House, Manchester

1. Members present

Staff members: Robert Harrison (RH), Heather Webb (HW), Elizabeth Chater (EC), Francesca Thomas (FT), Tim Hunt (HT), Jane Turner (JT), Josie Wexler (JW), Ruth Strange (RS), Anna Clayton (AC), Mackenzie Denyer (MD), Joanna Long (JL), Georgina Rawes (GR), Clare Carlile (CC, minutes)

Board Members: Shaun Fensom (chair), Dan Welch

Investor members (IM): Fiona Nicholls, Simon Robinson, John Grayson, Lynne Skipworth

2. Apologies

Staff members: Francesca de la Torre, Leonie Nimmo

Board Members: Sam Kimmins

Investor Members: Dick Venes, Michael Wignall, Terry James, Scott Keir, David Willis, Jacqueline Quinn, Clive Taylor, Aqeel Kapasi, Lorna David Perry, Brid Weekes, Gina Eastwood, Ed Collins, CE Clarke, Mike Atkinson, Mitsutaka Hirano, Andrea Bassett, Richard Lloyd-Jones, Maureen Smith

3. Minutes of 2017 AGM

2017 minutes accepted as a true record.

Both matters arising in last year's AGM completed.

4. Directors' report

RH: Best financial year since 2009 in terms of profitability and turnover.

Turnover growth from £231,571 in 2012 to £762,876 in 2018. Somewhat deceptive however as two large Lush projects put a lot of money through our books for venue hire etc.

Share capital at the year end was £498,501. We are paying 3.25% on this. This is around £13,000 in share interest. This accounts for difference in recorded profit figures, as the rules on accounting this has been changed during the year. Page 2 [of the Annual Review 2018] is profit minus share interest so that we can compare the figure to previous years. Where it says £33,000, this is including the £13,000 share interest.

Share capital still flowing into Ethical Consumer. Keen not change the interest rate on investments as currently going through capital expenditure cycle. £108,000 spent on new website, a project over past year and a half.

Still have cumulative losses on balance sheet which it will still take some time to clear up but heading in right direction.

SF: there is an understanding in co-op sector that you don't use all or even most share capital because it is withdrawable. Profit can be seen as £33,000, £13,000 of which is owed to its investor members. Presumably the turnover is higher than in 2009?

RH: 2009 was when we converted to multi-stakeholder co-op. 2007-2009 were poor financial years. Made some decent profits between 2000-2005.

IM: the website costs last year were up to £30,000 so they'll be £100,000 on the next year's accounts? Is this worrying?

SF: that's an investment not a cost, so it is depreciated across a number of years.

TH: across 7 years.

RH: those website costs are costs for running the website, e.g. server time, bank charges when people are using the website (data cash costs for online payments etc.) We could look at accounting for these elsewhere.

TH: under subscription costs?

TH: I wouldn't describe the turnover as deceptive. We run two large projects with high costs.

SF: what's deceptive is that the gross margin has changed – from a large gross margin organisation to a small gross margin organisation.

TH: should be minuted that it is not deceptive in a negative way.

RH: probably the turnover will fall this year, due to changes in Lush Prize with more costs going directly through Lush's books.

5. Audit – external accounts

SF: we do not need to appoint auditors because turnover is not sufficiently high. I propose that we do not appoint auditors.

1. Agreement that we do not require directors to organise an audit.
No objections. AGREED.

SF: we do however still need an accountant that does a similar job. I propose that we reappoint Third Sector Accountancy.

2. Agreement that we reappoint Third Sector Accountancy.
Issues raised. NOT AGREED.

IM: how many years have they been doing it?

RH: We use Patrick. He used to work as Slade & Cooper, so we went with him when he went to a new firm. He did it for maybe 6-7 years before moving.

IM: Have you therefore considered auditing it or changing accountant?

RH: we work super closely with him so reluctant to change. I do know you're supposed to change every 7 years or so.

IM: you don't have to change firms but you could change the accountant within the firm.

SF: could lead to fraud in theory if we don't change accountant, but we are not particularly worried about this. I propose that the board investigates the possibility of a one-off audit of the accounts and reappoint Third Sector Accountancy.

3. Agreement that the board investigates the possibility of a one-off audit of the accounts and reappoint Third Sector Accountancy.
No objections. AGREED.

6. Election of Dan Welch and Fiona Nicholls to board

SF: we invited investors to stand for two positions on the board, one of which was DW's.

RH: we received nominations from Fiona and Dan, and several others but they were not eligible (one made mistake and isn't actually an investor, the other had not been an investor for a full year, which is a requirement). We propose electing the two non-contested positions to board by show of hand.

SF: is everyone happy to elect by show of hand?

4. Agreement to elect board members by show of hands.

No objections. AGREED.

Fiona Nicholls and Dan Welch unanimously elected to the board.
Welcome to the board Fiona, and thank you Dan for your ongoing work.

7. Matters arising / AOBs

IM: could minutes be posted soon after the AGM? (rather than with next year's papers)

JL: we did publish the unapproved minutes (not approved until next AGM) on the website, but did not inform the investor members. Would you like us to do so?

RH: I propose a four week deadline for publication of AGM minutes on website and notifying investor and board members.

5. Agreement that we publish draft AGM minutes on website within four weeks and notify investor and board members.

No objections. AGREED.

Meeting closed at 2.45pm.