

# ethical consumer

## Annual Review

July 2017



Ethical Consumer Research Association Limited

# Welcome

## to our Annual Report for 2016/17

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### 2 Financial Performance

Another good year at ECRA brought a small trading profit with a growth in turnover of more than 11%. We saw demand increasing across the board for both the publishing and research consultancy sides of the business. Subscriptions income grew by 8% and research consultancy income grew by 14%.

We have recruited new people to help deal with the increased work and now have 14 permanent staff on the payroll. The research consultancy side of the business has now grown to exceed publishing revenue to such an extent that it now generates around two thirds of our turnover (65%).

During the year we continued to build our links with the Universities of Manchester and Glasgow culminating in the launch of a new academic publication in April 2017 called the Journal of Consumer Ethics.

The 2017/18 financial year is when our major website rebuild is planned to take place. This is the main capital spending that ECRA needs to make and occurs on a roughly seven year cycle. Net assets have risen to £238,351 and cash at bank remains strong at £231,685, leaving us in a comfortable position to fund this development with existing resources.

During the year investors chose to withdraw £84,924 of share capital and we attracted £94,885 of new investment. At the year end we had £412,703 of share capital on the balance sheet.

### 3 Financial Years to March 31 2016 & March 31 2017

#### Profit and loss accounts

	Year to 31 March 2016	Year to 31 March 2017
Turnover	556,720	629,475
Cost Of Sales	(55,499)	(53,488)
<b>Gross Profit</b>	<b>501,221</b>	<b>575,987</b>
Distribution Costs	(12,065)	(14,973)
Administrative Expenses	(480,829)	(548,693)
<b>Operating Profit/loss</b>	<b>(8,327)</b>	<b>12,321</b>
Interest Receivable	1,175	1,124
Interest Payable	(12,071)	(13,379)
Tax On Profit On Ordinary Activities	0	0
<b>Profit/loss For The Year</b>	<b>(2,569)</b>	<b>66</b>

#### Balance sheet

	as at 31 March 2016	as at 31 March 2017
<i>Fixed assets</i>		
Tangible assets	38,208	29,859
Investments	15,080	20,080
<b>Subtotal</b>	<b>53,288</b>	<b>49,939</b>
<i>Current assets</i>		
Stock	500	500
Debtors	60,023	79,600
Cash at bank and in hand	261,028	231,685
<b>Subtotal</b>	<b>322,551</b>	<b>312,785</b>
Creditors (falling due less than 1 yr)	(157,745)	(123,912)
Net current assets/(liabilities)	164,806	188,873
<b>Net assets/(liabilities)</b>	<b>218,094</b>	<b>238,812</b>
Share capital	392,051	412,703
Accumulated reserves	(173,957)	(173,891)

## 4 Interest rate for shareholders and future spending

### Interest rates

The Board's goal is to offer investors stability by holding rates steady over the medium term and to maintain members' share capital at roughly similar or higher levels. It reviewed the current rate of interest (3.25%) at its May 2017 meeting and agreed to keep them at that level for at least 12 months.

### Spending plans – website

Our major website rebuild is now planned to take place in the 2017 financial year. This will use investor capital to deliver a modern site that works well across all devices and is planned to significantly increase subscriber and other revenue. We are witnessing a steady growth in web visits, and celebrated our best November with nearly 150,000 visitors using our content.

## 5 Highlights of the Year – Research & Publishing

### New ranking category on Palm Oil

In response to popular demand, we introduced a new column on our ranking tables looking at companies' performance on palm oil. It was the first shake-up to our top level research categories since 2004 and involved lots of complex co-ordination across the whole team.



### Academic Journal Launch

In April 2017, as announced in our 2016 investors' newsletter, we successfully launched the Journal Of Consumer Ethics.

We hope that this collaboration with over 20 academics from around the world will continue to receive the praise that Vol 1 Issue 1 received.

[www.journal.ethicalconsumer.org](http://www.journal.ethicalconsumer.org)

### Buying links on our website

Again in response to popular demand, we also successfully implemented a 'Places to Buy' box on our product guides. This provides links for consumers to ethical retailers as well as increasing revenue for ECRA.

## Carbon Divestment Campaign

In Issue 161 (July/Aug 2016), we launched our divestment research and campaign which focused on getting consumers to switch their current accounts, savings accounts, cash ISAs and investment funds away from companies still funding fossil fuel projects.



## Branching out on video

Our investment in new video equipment and editing software has enabled us to make some high quality in-house videos which we've showcased on our website. We're now publishing a video introduction to one of our product guides featured in each magazine.

## 6 Highlights of the Year – Campaigns & Consultancy

### Lush Spring Prize - for social and environmental regeneration

Building on our successful collaborations with Lush Cosmetics using prize funds and events to drive political change, we delivered a new project supporting projects around the world which are moving beyond sustainability to regeneration. Winners from Africa, India, Brazil and Egypt travelled to a unique event in Sussex in May for the first of what will now become a second high-profile annual awards project.



### Save our Bank

Despite ongoing difficulties at the Co-operative Bank, the Customer Union which span off from ECRA in 2016 continued to have a big impact in 2017. It worked with Amnesty on the provision of bank accounts for Human Rights groups in problem areas like Palestine, and campaigned with its 1,500 members to keep pressure on the bank to maintain its unique ethical position.

### NFU Report

As part of our work on opposing the Badger Cull we produced an in depth report on the NFU, the main organisation driving the cull forwards. This is helping to direct pressure at a key lobby group opposed to sustainability and animal welfare across a wide range of issues.



## Collaborating For Change Conference

In September, we held our biggest annual conference to date. Over 200 delegates participated in discussions on topics as varied as Brexit and supply chains. We were delighted to be joined by some excellent speakers including Marilyn Croser of the CORE Coalition and Jonathan Bartley co-leader of the Green Party. In 2016 our conference was sponsored by Suma Wholefoods.

John Hillary of War on Want, speaking at *Collaborating for Change*



## 7 Ethical Consumer Annual General Meeting 2017

For our 2016 AGM we experimented with separating it from our annual conference – which had grown very large and complicated. We held the AGM on a Saturday in Manchester and it was a successful and friendly event.

It is the main opportunity during the year when we can meet with investor members and share ideas and plans. We do hope you can come along.

Details are as follows [TBC], but we will also be contacting you with reminders and formal agendas nearer the time.

Date: Saturday 23rd September  
Time: 12.00 -16.00  
Venue: Friends' Meeting House  
6 Mount Street, Manchester M2 5NS



- 12.00 -13.00 Meet Ethical Consumer with buffet lunch
- 13.00 -13.30 Introduction to AGMs / role of investors / multi-stakeholder co-op
- 13.30 -14.00 What has Ethical Consumer been up to over the past year?  
Short presentations from individuals, and an opportunity for investors to ask questions, on key projects we have been working on: such as Lush Spring Prize for Regeneration, Fair Tax Mark and our new Publishing plans.
- 14.00 -15.00 Formal AGM
- 15.00 -16.00 Refreshments – and open discussion on plans to use crowdfunding at ECRA for specific campaigns.

Investors may also attend via our conference line - participant code: 922057  
Call freephone: 0800 254 0230 or for overseas callers: + 44 (0)203 559 0230

**Do please let us know if you'd like to attend by RSVP-ing to:**  
[elizabeth@ethicalconsumer.org](mailto:elizabeth@ethicalconsumer.org) or by phoning the office on: 0161 226 2929.

## 8 Board of Directors

The Directors at 31st March 2016 were:

### 5 worker directors (staff elected)

- Rob Harrison
- Jane Turner
- Tim Hunt
- Leonie Nimmo
- Heather Webb

### 2 non-exec directors (board appointments)

- Shaun Fensom
- Sam Kimmins

### 2 investor member directors (member elected)

- Ruth Rosselson
- Dan Welch



Leonie spent part of the year on maternity leave and enlivened our 2016 AGM by bringing along Alexa, ECRA's youngest ever meeting attendee.

Leonie and Alexa

## 9 Standing and Participating in Elections

Any of our investor members who have held shares for twelve months may stand for election to the Board of Directors. Investor members may nominate candidates for the board (members may nominate themselves or another person). If there are more candidates than vacancies, a postal or email ballot will be held.

The term of office for directors is two years and a fee of £150 per meeting attended is currently payable in lieu of expenses. Particular skills sought by ECRA's current board include accountancy and grant fundraising, but simply an informed outside view will be valuable too.

Full details are available in the Society's rules which are available to download on the Ethical Consumer website at [www.ethicalconsumer.org/aboutus/membersarea/uniquestructure.aspx](http://www.ethicalconsumer.org/aboutus/membersarea/uniquestructure.aspx)

### The duties of a Director include:

- Attending Board meetings, which are currently held quarterly in Manchester
- Additional work or discussions carried out between board meetings (normally by email)
- Attending General Meetings.

If you are interested in standing in 2017 please contact [simon@ethicalconsumer.org](mailto:simon@ethicalconsumer.org) or phone the Manchester office on 0161 226 2929 before August 20th.

## 10 Annual Conference - Friday October 20th 2017

### Challenging corporate power in a changing political landscape

Are corporations now ruling the planet? Do we need to get them out of politics or could some of them be allies in our renewed battle against the rise of racism, intolerance and climate denial?

Join EC to explore how everyday actions are challenging and even channelling corporate power.

**Venue:** Amnesty Human Rights Action Centre,  
25 New Inn Yard, EC2A 3EA London.  
(Fully accessible)

**Date:** Friday, 30 September 2016

**Time:** from 09:45 to 18:00

Vegan / vege buffet inc in the ticket price



### Event highlights:

- **Rob Harrison**, founder and co-editor of Ethical Consumer, on EC's work tracking the political lobbying of corporations and reminding consumers of the choices they have
- **Richard Wilson**, from Stop Funding Hate on challenging racism in the mainstream media
- **Plus** the Co-ops and the Co-op Party, Lobbying for Good and more to be confirmed.

More information will be appearing on our website at:  
[www.ethicalconsumer.org/conference2017](http://www.ethicalconsumer.org/conference2017)

## 11 Legacy Giving - become an *Underground Activist*

As the campaigning side of our work doesn't generate revenue, we rely on working in partnership with others, with occasional grant support. This limits the development of consumer campaigns and our ability to take-on corporate power in the way we wish to.

We recognise that to create, launch and sustain truly effective campaigns programme we need dedicated resources. We are therefore looking to build a long-term fighting fund through legacy giving.



Enrich the grassroots!

Please consider contributing to Ethical Consumer's campaigning fund by remembering us in your will. This can be done when you write a new will, or by making a simple amendment (codicil) to an existing will.

You can download our Legacy Giving Guide at [www.ethicalconsumer.org/legacy](http://www.ethicalconsumer.org/legacy) or you can order one by phone on 0161 226 2929.



## 12 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 or loanstock accounts.

We are however required to send Revenue and Customs a list of all the names and addresses of members/loanstock holders 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.

## 13 Forms for Increasing, Reducing or Converting your Investment

If you are already an investor member and would like to invest further money in ECRA, please fill in Form A on page 10. Shares attract interest at 3.25%.

If you are a shareholder and you would like to reclaim some or all of your investment, please fill in Form B on page 11.

If you wish to become a new investor you will need to fill in the new member application form at Form C on page 12. 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.  
It is support from our members that enables us to challenge corporate power.**

## Form A: Share Account Investment Form

Members of Ethical Consumer Research Association Ltd are advised that investments can be made by cheque or bank transfer to 089000 70923146. Please use your name as a reference.

**I wish to invest a further £** .....

**Amount in words** .....

**I wish to pay by:**

- cheque (enclosed)
- bank transfer

**Title:**      Mr   Mrs   Miss   Ms   Other (please delete)

**Name(s)** .....

**Address** .....

.....

.....

.....

**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 Form

I wish to withdraw/be repaid £.....

Amount in words .....

**Title:**      Mr Mrs Miss Ms Other (please delete)

**Name(s)** .....

**Address** .....

.....

.....

.....

**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 C: New Member Application Form

**Full Name(s)** .....

**Address** .....

.....

.....

.....

**Telephone number** .....

**Email** .....

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.

I enclose a cheque, payable to Ethical Consumer, for the initial investment of

**£**.....

OR

I have made a bank transfer to 08-90-00 70923146 on (date) .....  
using my name as a reference for (amount):

**£**.....

**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.

Our rules are available to download on the Ethical Consumer website at  
[ethicalconsumer.org/aboutus/membersarea/uniquestructure](http://ethicalconsumer.org/aboutus/membersarea/uniquestructure)

ethical  
consumer



## Consultancy Services

- Ethical screening of companies, products & services
- Supply chain analysis
- Policy Development
- Event co-ordination using ethically screened suppliers
- Organisational ethics survey design and analysis



[consultancy@ethicalconsumer.org](mailto:consultancy@ethicalconsumer.org)  
0161 226 2929



# Collaborating for Change

Friday 30th September 2016



# LUSH SPRING PRIZE 2016



ethical  
consumer



Ethical Consumer Research Association Limited  
Unit 21, 41 Old Birley St, Manchester M15 5RF  
0161 226 2929  
[enquiries@ethicalconsumer.org](mailto:enquiries@ethicalconsumer.org)

