



**Ethical Consumer
Research Association
Limited**

Annual Review

July 2014

Ethical Consumer Research Association Limited
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1. Introduction

The following sections appear below:

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2. Financial Performance

At section 10 below, we reproduce draft profit and loss accounts and balance sheets for ECRA for the year to April 2014.

Profit and Loss

Continuing growth across core income streams helped Ethical Consumer to show a profit of £7,826 for the year. Turnover increased by around 16% with publishing revenue up by nearly 10% and consultancy income up by more than 20%.

Some of the consultancy work – collaborating with other organisations on campaigns – has increased our public profile and is likely to have also contributed to the growth in publishing revenue. We highlight some of these at Section 4 and 5 below.

Balance Sheet

Further capital investment of around £10,000 this year - in improving the performance of the ethicalconsumer.org website – also appears to have contributed to a growth in publishing income. Monthly web visits in March 2014 were above 88,000.

The balance sheet reflects this healthy performance with net assets growing by around 12% to £189,000. During the year we attracted around £86,000 of new share capital whilst repaying £82,000 to investors who requested repayment. Overall, share capital rose by around 3% to £366,208.

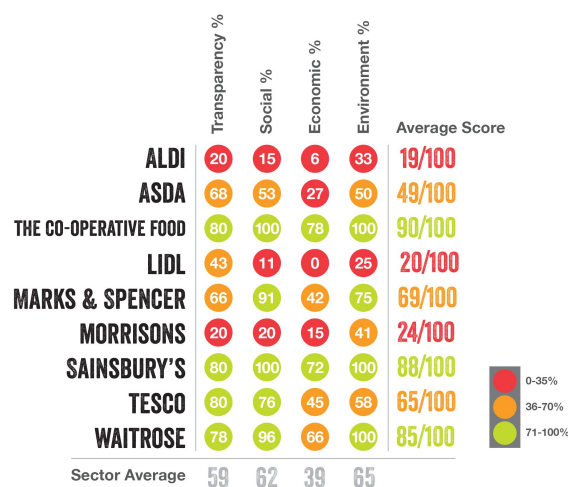
3. Interest rate for shareholders

As mentioned in last year's newsletter, it is the Board's goal to offer investors stability by holding rates steady over the medium term and to maintain share capital at roughly similar or higher levels. It is therefore Ethical Consumer's intention to maintain the current rate of 3.25% for the foreseeable future.

4. Highlights of the Year

(a) Retailer ranking on bananas for the Fairtrade Foundation

In February 2014, Fairtrade Fortnight focussed on injustice in the banana industry. As part of this work, Ethical Consumer helped compile a ranking of UK supermarkets on the fairness of their banana supply chains. This received widespread publicity and generated useful pressure on supermarket buying departments to re-consider their approaches in this area.



(b) Lush Prize 2013

2013 was the second year of this long-term project to encourage non-animal methods of product safety testing. As well as conducting the research and managing the process of identifying winners, in 2013 Ethical Consumer also managed the Prize-giving Event at Kings Place in London. Amongst the winners were:

- The Lung & Particle Research Group, Cardiff University, UK
- PETA, Laboratory Investigations Department, USA
- The International Council on Animal Protection in OECD Programmes (ICAPO) [Kristy Sullivan from ICAPO pictured]

A short play reflecting on Lewis Carroll's views on vivisection for the guests at the event was just one element of the evening's entertainment.

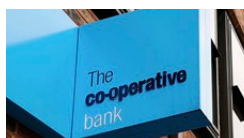
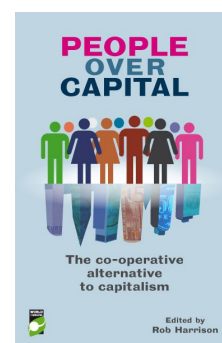


(c) Move Your Money Ranking of Banks

In September 2013, Move Your Money launched a 'switching website' using a bespoke ranking created by Ethical Consumer. This has helped frame the debate on how ethical banking should look amongst both mainstream banks and more specialist providers like building societies.

(d) Book Launch

The People over Capital book, published in collaboration with New Internationalist, is on the way to becoming a key introductory text for teaching about co-ops. In addition, it is already influencing debates around new technology and co-operatives, and is creating interest from Colombia to Thailand.



Save Our Bank

Crowd power to keep our bank ethical.

(e) Save Our Bank

An Ethical Consumer campaign launched to help protect the unique ethical stance of the Co-operative Bank during a difficult time in its history has received significant public support and proven influential in subsequent decision-making at the Bank.

5. Fair Tax Mark Limited

Campaigning against unethical tax avoidance by multinational companies has long been an important element of Ethical Consumer's work. Another significant event in the year took place when ECRA joined forces with Richard Murphy's Fair Tax campaign to set up a new community benefit society - The Fair Tax Mark Limited - to award accreditation to companies paying the right amount of tax. Three directors of Ethical Consumer, Rob Harrison, Tim Hunt and Leonie Nimmo, sit on the board of the Fair Tax Mark and Ethical Consumer is 'incubating' (providing back-office services to) the new organisation from its offices in Manchester. Ethical Consumer have also made start-up loans of £5,000 to the project.

The project has generated significant positive publicity already and more significant announcements are planned for 2014. Our longer term goal is not only to create an important new element in the public discussion of tax avoidance, but also to create a new long-term client for Ethical Consumer's services.

Many of ECRA's investors have also backed this new project for which we thank them.

www.fairtaxmark.net



6. Our Five Year Plan from 2014 to 2019

The Board and staff have been working on our next five year plan. Although not due to be finalised until the Autumn, we already have broad agreement on the general shape of the plan.

We have three core commitments:

- An independent, financially sustainable, well managed, co-operative.
- High quality, good value ethical consumer products.
- Happy and valued staff.

The plan identifies four main focus areas for the next five years.

Campaigning on key issues where we can be the lead voice.

In campaigning we will seek to be collaborative, influential, and to engage media and politicians where necessary.

Increase the size of our community.

We will continue to increase the size of our stakeholder groups – from web users to investor members. Using formal democratic structures and informal consultations we will seek more input into a wide variety of decisions.

Open up our core research database to external users.

To improve the quality of our monitoring and output we want to gradually and carefully open up data entry and retrieval to more people.

To develop a Hub for ethical businesses

We plan to bring together a wide range of products and services to help businesses make ethical decisions, to share ideas, and to promote their ethical products.

7. Board of Directors

We were delighted in February 2014 to welcome Luke Upchurch – head of communications at Consumers' International – to Ethical Consumer's board of directors. Luke sits on some UN committees on sustainable consumption and is deeply involved in campaigning on consumer and social issues. This first formal link for Ethical Consumer with the international consumer movement is exciting.

Luke replaces Will Watt as our second non-executive director. Will served on the board since our conversion to a multi-stakeholder co-op in 2009. Huge thanks to Will who has played a key part in helping Ethical Consumer re-orientate its publishing to the technologies of the 21st century.



The Directors at 31st March 2013 were.

- 5 worker directors (elected by the staff)
Rob Harrison
Jane Turner
Katy Brown
Tim Hunt
Leonie Nimmo
- 2 non-executive directors (appointed by the board)
Shaun Fensom
Luke Upchurch
- 2 investor member directors (appointed by the board)
Ruth Rosselson
Dan Welch

8. 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 at the next AGM (see below). 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

Members should also have received a printed copy of the rules with their initial share certificates.

Duties of a Director

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 or nominating another person there is a form for nominations on page 11 below. The closing date for receiving nominations is August 22nd 2013.

9. AGM at Amnesty International's HQ - London - Friday September 26th 2014

Ethical Consumer is 25 years old this year. Following our AGM we plan to hold a conference to share ideas with some of today's cutting-edge consumer campaigners on how we can learn from the past to shape the future.

Conference attendance is free for investors who can attend the AGM. Please RSVP to enquiries@ethicalconsumer.org with 2014 AGM in the subject line.

Consumer Campaigning – Past Present and Future -

Provisional Schedule (speakers to be confirmed)

10.30am to 11.30am ECRA AGM and formal business	
Conference Begins	
12:00 – 1:00 PAST - The last 25 years	Speakers from: , Ethical Consumer, Lush, Anti-Apartheid Movement, Greenpeace
1.00 – 1.45 Lunch	
1:45 – 2:45 PRESENT - The big issues of our time	Speakers on: Environmental crisis, food and consumption; Fast fashion and the disposable society; BDS - Israel / Palestine; Amazon Boycott.
2:45 - 3:00 - Networking session	
3:00 – 4:00 Discussion groups	Your views on what the future holds for consumer campaigning around four key areas: the environmental crisis; workers' rights ; human rights ; animal rights.
4:00 – 4:15 Break	
4:15 -4:30 Feedback from the discussion groups	
4:30 – 5:30 FUTURE – The Next 25 years	Speakers include: Ethical Consumer on where we are going ; Abundance on crowdfunding platforms for ethical projects; Fairtrade Foundation on future of accreditation ; 38 Degrees on Campaigning tools of the future ; The future of the ethical market
5:30 – 6:30 drinks / birthday cake	

10. The Financial Years to March 31st 2013 and March 31st 2014.

Ethical Consumer Research Association Ltd Profit and loss accounts	For year to 31 March 2013 £	For year to 31 March 2014 (Draft)
TURNOVER	368,842	428,517
COST OF SALES	(47,128)	(64,343)
GROSS PROFIT	321,714	364,174
DISTRIBUTION COSTS	(10,499)	-
ADMINISTRATIVE EXPENSES	(291,529)	(344,195)
OPERATING PROFIT/LOSS	19,686	19,979
INTEREST RECEIVABLE	909	1,748
INTEREST PAYABLE	(16,878)	(13,901)
TAX ON PROFIT ON ORDINARY ACTIVITIES	0	0
PROFIT/LOSS FOR THE YEAR	3,717	7,826

Ethical Consumer Research Association Ltd Balance Sheet	as at March 31 2013 £	As at March 31 2014
Fixed assets		
Tangible assets	43,207	42,824
Investments	10,080	10,080
Subtotal	53,287	52,904
Current assets		
Stock	474	564
Debtors	21,634	65,875
Cash at bank and in hand	214,337	199,414
Subtotal	236,445	265,853
Creditors: amounts falling due in less than one year	(112,448)	(129,751)
Net current assets/(liabilities)	123,997	136,102
Total assets less current liabilities	177,284	189,006
Creditors: amounts falling due in more than one year	(9,224)	-
Net assets/(liabilities)	168,060	189,006
Share Capital	356,929	366,208
Accumulated Reserves	(188,869)	(181,043)

11. 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. Because of this, we are no longer recording tax deductions and sending out tax deduction certificates as we have in the past.

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 at least £15 on their holdings in the preceding period.

12. 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 on page 8. Shares attract interest at 3.25%.
- If you are an shareholder and you would like to reclaim some or all of your investment, please fill in Form B below.
- 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 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

.....

.....

SignatureDate.....

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

Name(s)

Address

.....

.....

SignatureDate.....

Please return this form to:

Ethical Consumer Research Association Ltd, Unit 21 41 Old Birley Street, Manchester M15 5RF.

Form C: New Member Application Form

Please complete and return to Ethical Consumer Research Association Ltd, Unit 21, 41 Old Birley Street, Manchester M15 5RF.

Full name of applicant

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 089000 70923146 on.....using my name as a reference of (amount)

£.....

Signed.....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

Form D: Board of Directors Nomination Form

Please choose one:

- I would like to stand for election to the Board of Directors of Ethical Consumer, OR
- I would like to nominate the following member as a candidate for election to the Board of Directors of Ethical Consumer

Name

Address
.....
.....

SignatureDate.....

Your name and address (if nominating another):

Name

Address
.....

Email Address.....

Short CV or statement in support of this candidate:

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Please return this form to us by August 24th if you would like to be stand for election in the 2014 cycle. Alternatively you may email the information to The Secretary rob@ethicalconsumer.org