

Ethical Consumer Research Association Limited

Annual Review July 2024

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1. Financial Performance

In April 2024 ECRA successfully completed the major upgrade to ranking corporate ethical behaviour that we have been working on since 2022. Brands in our ranking guides now score out of 100, using refined categories, across all our core print and digital products.

The upgrade has been well received by customers and has also helped us towards our goal of being able to communicate our approach more effectively to more people. This would not have been possible without the support of our investor members who have enabled the co-op to function effectively during the two years of planned losses that this focus on R&D required.

Investor members have also helped us to resource other product development work that took place last year, including the extension of our Best Buy accreditation scheme to products not formally reviewed as part of a buyers' guide. This was launched in April 2024 too with an organic pasta brand from fellow-co-op SUMA.

In our last Investors Newsletter, we predicted that all this work would mean that we would make a loss of £55,000 in the 2023/4 financial year. In the end we were able to manage costs in a way which restricted this loss to £17,477 which we feel is a decent outcome given the circumstances.

Now that we have come to the end of the first two 'product development' years of our five year plan, we are focussing for the next three years on generating the surpluses we need to offset these deficits and build up our reserves. This means that at ECRA we are entering a 'year of sales' which we are predicting will help us generate surpluses in the final three years of our five year plan roughly as follows:

| 2024/5 | 2025/6 | 2026/27 |
|--------|---------|---------|
| £9,057 | £25,836 | £75,744 |

In order to do this, in the coming year we are also planning to:

- implement a price rise for subscriptions to our consumer magazine and website
- pivot one researcher from the magazine to help meet increasing demand for our consultancy services
- recruit a further researcher to help meet this demand too.

We have also worked this year on bringing new skills and diversity onto our board. More information about this appears below at section 4.

Thanks again to our investor members for helping to make this possible. More information about our wider impacts appears in the highlights section below.

Our investors and interest rate

During the year investor share capital fell slightly to £560,746 from £568,538 last year. Ten investor members left last year and three new ones joined.

The Board is agreed that the current rate of interest (3.25%) should continue in the medium term despite the wider environment of rising interest rates elsewhere. This approach was supported by the investor members attending our AGM in September 2023 where this was a discussion item.

Our policy of holding rates steady remains in place, and the rate of 3.25% has not changed since August 2013.

Share capital continues to play an important role at ECRA allowing us to make the investments discussed above.

2. The Financial Years to 31 March 2023 and 31 March 2024

Ethical Consumer Research Association Ltd Profit and loss accounts

| | For year to 31 March 2023 | For year to 31 March 2024 |
|---|---------------------------|---------------------------|
| TURNOVER | 901,869 | 930,850 |
| COST OF SALES | (330,869) | (318,377) |
| GROSS PROFIT | 571,000 | 612,473 |
| ADMINISTRATIVE EXPENSES | (585,278) | (617,223) |
| OPERATING PROFIT/LOSS | (14,278) | (4,750) |
| INTEREST RECEIVABLE | 3,087 | 5,495 |
| INTEREST PAYABLE | (18,276) | (18,222) |
| TAX ON PROFIT ON ORDINARY ACTIVITIES | 0 | 0 |
| PROFIT/LOSS FOR THE YEAR | (29,467) | (17,477) |

Ethical Consumer Research Association Ltd Balance Sheet

| | As at 31 March 2023 | As at 31 March 2024 |
|--|---------------------|---------------------|
| Fixed assets | | |
| Intangible Assets | 89,520 | 95,557 |
| Tangible assets | 5,661 | 4,985 |
| Investments | 31,362 | 30,362 |
| Subtotal | 126,543 | 130,904 |
| Current assets | | |
| Stock | 500 | 500 |
| Debtors | 114,248 | 185,428 |
| Cash at bank and in hand | 596,474 | 546,224 |
| Subtotal | 711,222 | 732,152 |
| Creditors: amounts falling due in less than one year | (441,692) | (492,269) |
| Net current assets/(liabilities) | 269,530 | 239,883 |
| Net assets/(liabilities) | 396,073 | 370,787 |
| Share Capital | 568,538 | 560,746 |
| Accumulated Reserves | (172,465) | (189,959) |
| Shareholders Funds | 396,073 | 370,787 |

3. Highlights from the year

Campaigns

a) Migrant workers' rights

It's been a significant year for our campaign drawing attention to migrant workers' rights violations in UK supermarkets' Spanish supply chains. We secured funding, alongside a range of inspiring partners including the Spanish union SAT Almeria and the Coalition of Immokalee Workers (CIW), for the CIW to share their '[Worker-Driven Social Responsibility](#)' (WSR) model with workers in Spain. This model has seen unparalleled success at improving supply chain working conditions, having received a presidential medal and McArthur Genius award. The funding, provided by Healthy Food Healthy Planet, covers 1.5 years of online exchanges and an in-person trip to Spain to scope the feasibility of a WSR project being implemented there.



b) Amazon boycott

Our Amazon boycott campaign kept its focus on Amazon's systematic tax avoidance, including in relation to public contracts. Conveying this message we participated in Black Friday and Make Amazon Pay events and asked our readers and followers specifically to avoid Amazon in August ([Amazon free August](#)) and beyond. The first part of this year also saw us delving into the environmental damages caused by Amazon's activities.



c) Climate Gap

In the third year of the Climate Gap report in partnership with Ecology Building Society, we introduced new graphs to make the data more visual, and began to explore more the problems of the economic growth model in relation to climate targets. We also started to plan a Climate Gap action group to launch with the release of the 2024 report, to get more people more engaged with the actions recommended in the report, which include supporting campaigns as well as making changes to consumption.



d) BDS

As long standing supporters of the Boycott Disinvestment and Sanctions (BDS) movement, we saw a significant increase in engagement with our content in the wake of the horrific events in Gaza. Our video on which companies to avoid due to their links to Israeli Apartheid, for example, was viewed over 200,000 times, with a follow up video on ethical alternatives also gaining a lot of traction.



Publishing and Research

As mentioned above, and after a process of responding to feedback from subscribers, our own researchers and experts in the field, we are delighted to have fully implemented the upgraded rating system into our guides. Each guide has fewer columns but provides more nuanced ratings of the key issues related to each product and companies are now scored out of 100. We are delighted to still be receiving positive feedback on the new system. Some of the new ratings have even made national headlines, such as our ranking on the use PFAS by outdoor clothing companies which was featured in the Observer.



Our guides continue to be updated on a two or three year cycle, this means all guides will have been updated with the new rankings in a couple of years time. This year we have published guides on white goods, clothing, cosmetics, chocolate, Amazon alternatives and more.

Consultancy

Our company screenings service is going from strength to strength – we have recruited new dedicated co-op members to the team, gained new clients and exceeded our targets. Our Corporate Research Database has also been successfully revamped as part of our plan to build its subscribers base.



We still work in partnership with Lush on a number of key projects. The Lush Prize held a successful award event in London where it was able to lobby Labour MPs for support for a phase out plan for toxicity testing on animals. The Spring Prize created a 5 Year Review and funded visits between past recipients.

Personnel

This year the personnel team have been supporting the integration of four new co-op members. We also continue to work with People's Support Co-op who, alongside updating policies and key documents, have been providing training to staff on sociocracy, co-operative working and more.

A sociocracy working group has been formed and is starting work on the structure of the Co-op. We have also been working to implement more DEI actions across Ethical Consumer and have been looking at how to further develop wellbeing measures for staff.

4. Board of Directors and Elections

As a multi-stakeholder co-op, the board of ECRA is made up as follows:

- Five worker directors (elected by the staff)
- Two investor member directors (elected by the members)
- Two non-executive directors (appointed by the board)

Worker directors

The worker directors are as follows:

- Francesca de la Torre (Chair)
- Rob Harrison
- Shanta Bhavnani
- Alyson Tyler
- Ruairidh Fraser

Investor member directors

We hold elections for investor members every two years and 2024 is an election year. In May we invited investors to nominate themselves to the board before the end of June. We received only two nominations, one from Dan Welch (one of our current investor members who is happy to stand again), and one from Adina Claire, a long-standing investor member whose profile appears below.

Because of this, and because of the quality of the applicants, the board decided not to hold a contested election this year. Instead we will place an item on the agenda of our AGM in September (see below) to approve the appointments of both Dan and Adina.

We would like to express our thanks to Tim Hunt, the other current investor director who will be standing down this year at the AGM. Tim has served on the board for 15 years and has been instrumental in building Ethical Consumer's successful website and digital products. Tim will continue to work with EC on the technical side and will be available to advise the board on an ad hoc basis going forward.

Non-executive Directors

Shaun Fensom, a specialist on co-operatives and technology, also stood down from our board in March following 15 years of service. We would all like to express our thanks to Shaun for the critical role he played in helping to get us to where we are today. At that point we already had an unfilled vacancy for the other non-exec role, so we executed a plan we have been developing for some time to invite applicants from the general public in an open recruitment process. Having never advertised publicly for a board non-exec role, we were uncertain as to what would happen. However we were bowled over by the quality of applicants, receiving 29 from a wide variety of hugely experienced people. It was a really difficult decision to select only two, but after much deliberation, the two we appointed were Ketan Varia and Clare Searle.

We have provided short biographies for the three new board members opposite.

Adina Claire

Adina has 30 years of experience at organisations working for social change and justice. For the last 20 years she has led organisations large and small, with expertise in generating income, communications, and sustainable strategic development. Her wide experience includes Christian Aid, Amnesty International UK, War on Want, Women's Aid and NEON (New Economy Organiser's Network), as well as Board roles at Campaign Bootcamp and Just Treatment. She is an ethical vegan with two retired racing greyhound companions.



Ketan Varia

Ketan assists complex organisations with change management, employing collaborative and whole-system approaches. He has served as a Non-Executive Director (NED) for a large hospital trust and is currently a board member for Mediation Herts, a non-for-profit organisation that provides neighbourhood, peer-to-peer, and family mediation. Ketan's life motivations are centred on social justice, education, and reducing suffering for the planet and its people. He has been vegan since 2008, as part of his commitment to ethical living.

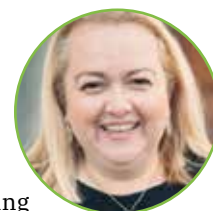
Ketan also teaches short courses in adult education within humanities at CityLit and regularly volunteers at a school in South India.



Clare Searle

Clare works as CSOO for a Community Sustainability Charity alongside running an Environment, Social Justice and Strategy consultancy and an executive coaching business. She chairs a grant-giving youth charity board, as well as volunteering in the community in areas including youth mentoring, small business support, dementia projects, and heritage projects.

She passionately believes that we have a responsibility to our local communities and the global community to use our skills for good and to enable Social Justice. Therefore, she uses her senior leadership, strategy, service design, transformation and project experience skills to do just that, no matter what hat she is wearing that day.



5. Virtual AGM, 26 September 2024

AGM

Date
**Thursday 26th
September**
Time
**6:30pm –
7:45pm**

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.

| | |
|---------------|---|
| 6.30pm | Introductions of attendees. |
| 6.45pm | TBC: Four short presentations (2 mins each) from ECRA on key projects taking place this year OR a short reflection on ECRA's work from a guest speaker; followed by a Q&A session with attendees. |
| 7.05pm | Formal AGM – including approval of the accounts and of the appointments of Adina Claire and Dan Welch as investor directors. |
| 7.35pm | Other questions and answers for ECRA Board and Staff |
| 7.45pm | Close. |

6. Our annual conference in London, 8 Nov 2024

Following the success of the event we held last year at 'Rich Mix' in London's East End, we are planning to hold another one this year at the same venue. The theme for the day is "Less Is More: Can economic degrowth lead to a sustainable future?"

Topics we'll be exploring include:

- Economic meltdown or a simpler world with humans flourishing everywhere?
- Approaches to building community capacity and resilience during economic transitions.
- Running a business in a post-growth world: A contradiction or a creative design challenge?
- Colonialist practices in renewable supply chains / Waste Colonialism.
- A Free Cities Workshop
- Climate Gap: what does degrowth look like in the four key sectors of clothing, housing, transport and consumer goods?

More information appears on our special conference website here: <https://conference.ethicalconsumer.org/conference-2024>



7. 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.

8. Forms to increase, reduce or convert 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 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

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

