

Registered number: 3578127

ETHICAL TRADING INITIATIVE
(A Company Limited by Guarantee)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2015

ETHICAL TRADING INITIATIVE
(A Company Limited by Guarantee)

COMPANY INFORMATION

Directors	Meena Varma Jon Tugwell (appointed 11 September 2014) Katharine Stewart (appointed 11 September 2014) Emily Scott (appointed 11 September 2014) Owen David Tudor Philip Chamberlain Alison Tate Monika Kemperle Aidan Mcquade Chris Harrop Scot Walker Peter Mcallister Lord Young of Norwood Green (resigned 11 September 2014) Rachel Wilshaw Katherine Teague (resigned 11 September 2014) Chris Gilbert-Wood (resigned 11 September 2014)
Company secretary	Angela Byer
Registered number	3578127
Registered office	8 Coldbath Square London EC1R 5HL
Trading address	8 Colbath Square London EC1R 4AG
Independent auditors	haysmacintyre 26 Red Lion Square London WC1R 4AG

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ETHICAL TRADING INITIATIVE
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DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2015

The directors present their report and the financial statements for the year ended 31 March 2015.

Directors' responsibilities statement

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activities

It is easy to feel a sense of despair at the countless stories about labour rights abuses that emerged during the past year. Too many workers in too many countries are struggling to have their rights respected. But this year has also given us green shoots of hope; examples of concerted and combined efforts that are starting to deliver real change for workers.

ETI brings companies, trade unions and NGOs together over the common agenda of workers' rights. We're at our most effective when our members join forces, combining their resources, expertise and commercial leverage to positively influence labour rights. We saw this at play this year in Cambodia; ETI and our member brands and trade unions effectively engaged with the government, helping bring about a 28% raise in the monthly minimum wage for garment workers. In the UK, our advocacy efforts were central to a strengthened Modern Slavery Act that outlines a clear role for business in tackling this issue.

The green shoots can also be found in unlikely places, such as the arid Indian state of Rajasthan. Our members are working with the local sandstone industry to champion business and human rights, and we are seeing early signs of progress. Further south in Tamil Nadu's textile mills, our efforts are helping young women understand their workplace rights. Our programmes continue to catalyse change in sectors around the world including Bangladesh garments, Thai seafood, South African horticulture and Vietnamese wooden furniture.

This year has also been about firming up foundations with an eye on the future. Revenue is up and we have reinforced our financial stability. Our thanks go to the Department for International Development (DFID) for its continued support through the Programme Partnership Arrangement and additional support for our work in Bangladesh. We also thank the Foreign and Commonwealth Office, the Commonwealth Foundation and the Ministry of Foreign Affairs of Denmark (DANIDA) for their funding support.

We were pleased to welcome Philip Chamberlain as ETI's new Chair, who brings extensive experience in retail and ethical trade to helm our Board. With the support of Philip and our members we have finalised a new

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DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2015

strategy that charts ETI's course to 2020 – one that responds to changes in power from the global north to south and demands for greater corporate transparency and credibility.

Looking ahead, we will continue to harness the expertise and resources of our company, trade union and NGO members to drive sustainable change for good. We will tackle the worst forms of worker exploitation and champion freedom of association, living wages, equal treatment and regular employment and hours – all the conditions of decent work. It's only by working together that we can start to realise our vision of a world where workers enjoy conditions of freedom, security and equity.

Directors

The directors who served during the year were:

Meena Varma
Jon Tugwell (appointed 11 September 2014)
Katharine Stewart (appointed 11 September 2014)
Emily Scott (appointed 11 September 2014)
Owen David Tudor
Philip Chamberlain
Alison Tate
Monika Kemperle
Aidan Mcquade
Chris Harrop
Scot Walker
Peter Mcallister
Lord Young of Norwood Green (resigned 11 September 2014)
Rachel Wilshaw
Katherine Teague (resigned 11 September 2014)
Chris Gilbert-Wood (resigned 11 September 2014)

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

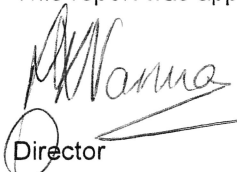
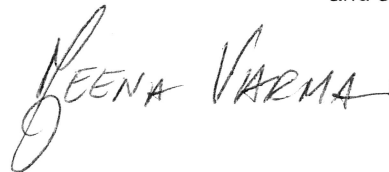
Auditors

The auditors, haysmacintyre, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on

and signed on its behalf.

 
Director TREASURER MEENA VARMA

ETHICAL TRADING INITIATIVE
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ETHICAL TRADING INITIATIVE

We have audited the financial statements of Ethical Trading Initiative for the year ended 31 March 2015, set out on pages 5 to 10. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

ETHICAL TRADING INITIATIVE
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ETHICAL TRADING INITIATIVE

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and to take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Directors' Report.

Murtaza Jessa (Senior Statutory Auditor)

for and on behalf of
haysmacintyre

Statutory Auditors

26 Red Lion Square
London
WC1R 4AG
Date:

ETHICAL TRADING INITIATIVE
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PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2015

	Note	2015 £	2014 £
TURNOVER	1	1,182,178	1,112,220
Expenditure:			
Cost of service provision		(1,746,785)	(1,702,995)
Other operating income	2	653,264	635,834
		<hr/>	<hr/>
OPERATING SURPLUS/(DEFICIT)	3	88,657	45,059
Interest receivable and similar income		681	275
		<hr/>	<hr/>
SURPLUS/(DEFICIT) ON ORDINARY ACTIVITIES BEFORE TAXATION		89,338	45,334
Tax on profit on ordinary activities		-	-
		<hr/>	<hr/>
SURPLUS/(DEFICIT) FOR THE FINANCIAL YEAR	9	<u>89,338</u>	<u>45,334</u>

The notes on pages 7 to 10 form part of these financial statements.

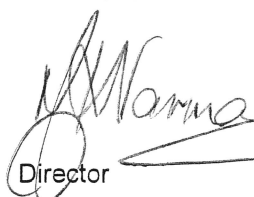
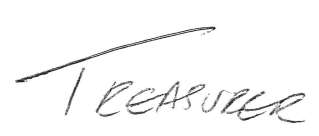

ETHICAL TRADING INITIATIVE
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REGISTERED NUMBER: 3578127

BALANCE SHEET
AS AT 31 MARCH 2015

	Note	2015		2014	
		£	£	£	£
FIXED ASSETS					
Tangible assets	5		12,781		6,868
CURRENT ASSETS					
Debtors	6	147,056		312,531	
Cash at bank and in hand		679,881		512,954	
		<u>826,937</u>		<u>825,485</u>	
CREDITORS: amounts falling due within one year	7	<u>(672,555)</u>		<u>(754,528)</u>	
NET CURRENT ASSETS			<u>154,382</u>		<u>70,957</u>
NET ASSETS			<u><u>167,163</u></u>		<u><u>77,825</u></u>
CAPITAL AND RESERVES					
Profit and loss account	9		<u>167,163</u>		<u>77,825</u>
			<u><u>167,163</u></u>		<u><u>77,825</u></u>

The financial statements have been prepared in accordance with the provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved and authorised for issue by the board and were signed on its behalf on




Director Treasurer Meena VARMA

The notes on pages 7 to 10 form part of these financial statements.

ETHICAL TRADING INITIATIVE
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

1.2 Income

Income comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Fixtures and fittings	-	25% Straight Line
Office equipment	-	25% Straight Line

1.4 Operating leases

Rentals under operating leases are charged to the Profit and Loss Account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

2. OTHER OPERATING INCOME

	2015	2014
	£	£
Other operating income	653,264	635,834

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015

OTHER OPERATING INCOME

	2015	2014
	£	£
DFID core funding	401,770	401,770
NGO's - BOAG funding	25,000	-
Leicester - working Group Fund	41,698	-
DANIDA	43,224	6,677
DFID RAGS	-	94,106
Comic Relief	-	98,630
TNMS	88,083	34,651
SandStone members contribution	4,696	-
FCO	40,883	-
DANIDA other contribution	5,600	-
Vietnam Wooden Furniture project	2,281	-
CW Foundation	29	-
Total	<u>653,264</u>	<u>635,834</u>

3. OPERATING SURPLUS/(DEFICIT)

The operating surplus is stated after charging:

	2015	2014
	£	£
Depreciation of tangible fixed assets: - owned by the company	4,134	4,190
Auditors' remuneration	6,425	6,250
Pension costs	42,139	34,888
	<u>52,698</u>	<u>45,328</u>

4. DIRECTORS' REMUNERATION

	2015	2014
	£	£
Aggregate remuneration	<u>91,597</u>	<u>89,245</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015

5. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Office equipment £	Total £
Cost			
At 1 April 2014	50,722	52,502	103,224
Additions	672	9,375	10,047
At 31 March 2015	<u>51,394</u>	<u>61,877</u>	<u>113,271</u>
Depreciation			
At 1 April 2014	49,367	46,989	96,356
Charge for the year	531	3,603	4,134
At 31 March 2015	<u>49,898</u>	<u>50,592</u>	<u>100,490</u>
Net book value			
At 31 March 2015	<u>1,496</u>	<u>11,285</u>	<u>12,781</u>
At 31 March 2014	<u>1,355</u>	<u>5,513</u>	<u>6,868</u>

6. DEBTORS

	2015 £	2014 £
Trade debtors	108,403	242,981
Other debtors	38,653	69,550
	<u>147,056</u>	<u>312,531</u>

7. CREDITORS:
Amounts falling due within one year

	2015 £	2014 £
Trade creditors	86,506	68,129
Other taxation and social security	7,915	2,855
Membership income received in advance	178,071	422,317
Deferred income	307,225	135,126
Other creditors	92,838	126,101
	<u>672,555</u>	<u>754,528</u>

Membership income received in advance comprises the unexpired period to which the membership fees relate to.

ETHICAL TRADING INITIATIVE
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015

8. COMPANY STATUS

The company is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the company in the event of liquidation.

9. RESERVES

	Profit and loss account £
At 1 April 2014	77,825
Surplus for the year	89,338
	<hr/>
At 31 March 2015	<u>167,163</u>

10. OPERATING LEASE COMMITMENTS

At 31 March 2015 the company had annual commitments under non-cancellable operating leases as follows:

	2015 £	2014 £
Expiry date:		
Within 1 year	-	17,892
Between 2 and 5 years	-	2,112
After more than 5 years	85,520	-
	<hr/> <hr/>	<hr/> <hr/>

11. RELATED PARTY TRANSACTIONS

During the year, expenses including travel totalling £2,352 (2014: £Nil) were charged by three directors.

During the year, expenses were reimbursed to the Chair, amounting to £674 (2014: £295).